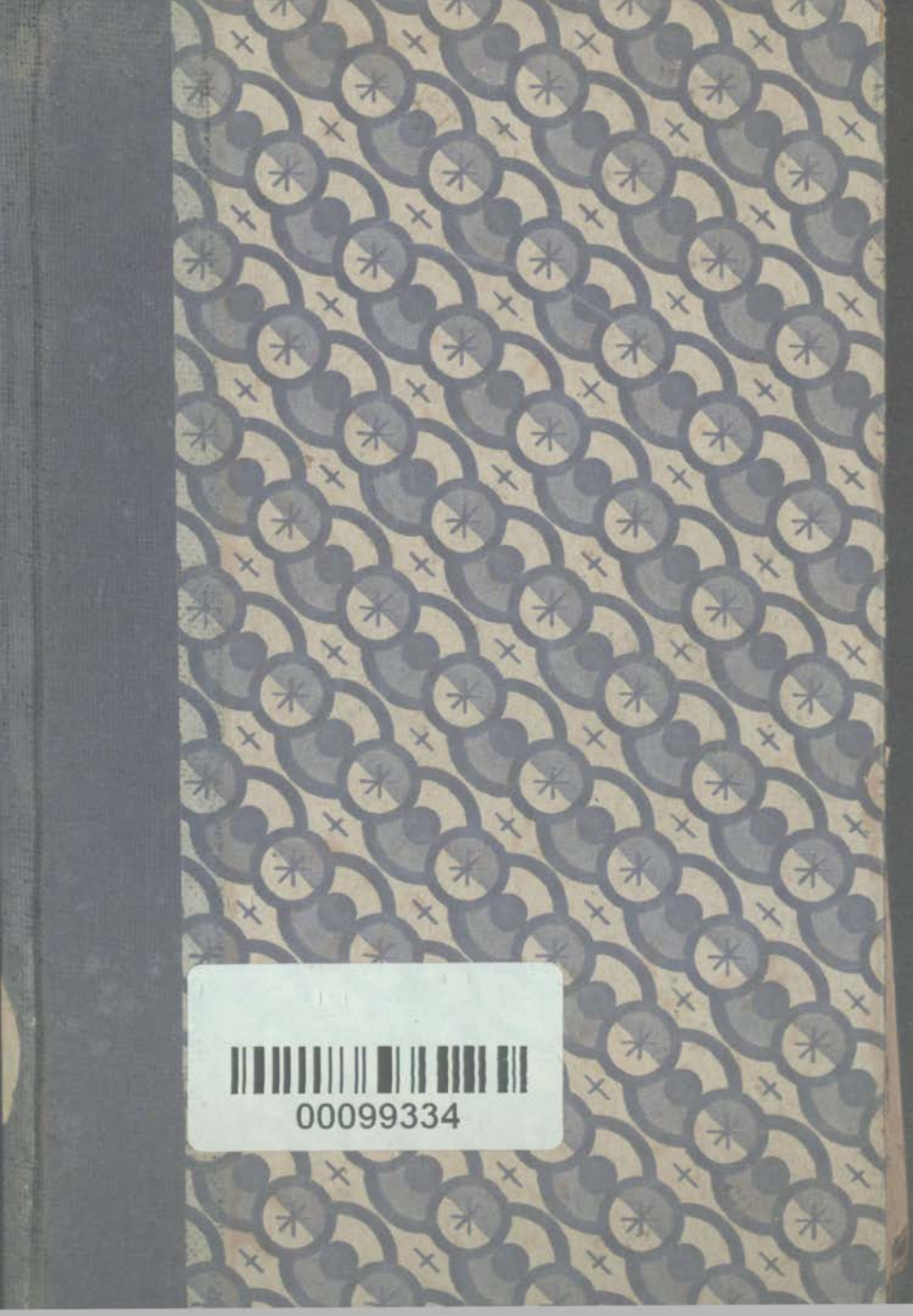
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# THROUGH TERROR TO TRIUMPH

*Speeches and Pronouncements of the*
*Right Hon. David Lloyd George, M.P.,*
*Since the Beginning of the War*

ARRANGED BY
F. L. STEVENSON, B.A.(Lond.)

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# PREFACE

I HAVE no responsibility for publishing or even for suggesting the publication of these speeches. Some of them were delivered without the least preparation; others were delivered after such slight and sporadic preparation as is alone possible for the head of a great Department of State to spare for speechmaking in the urgency of a colossal war. Such speeches may escape severe criticism from the newspaper reader whose glance sweeps over them in the limited time he can devote to reading his daily paper; but I should not have dared of my own accord to challenge a more leisurely perusal of these utterances.

After twelve months of war my conviction is stronger than ever that this country could not have kept out of it without imperilling its security and impairing its honour. We could not have looked on cynically with folded arms whilst the country we had given our word to protect was being ravaged and trodden by one of our own co-trustees. If British women and children were being brutally destroyed on the high seas by German

submarines, this nation would have insisted on calling the infanticide Empire to a stern reckoning. Everything that has happened since the declaration of war has demonstrated clearly that a military system so regardless of good faith, of honourable obligations, and of the elementary impulses of humanity, constituted a menace to civilisation of the most sinister character; and despite the terrible cost of suppressing it, the well-being of humanity demands that such a system should be challenged and destroyed. The fact that events have also shown that the might of this military clique has exceeded the gloomiest prognostications provides an additional argument for its destruction. The greater the might, the darker the menace.

Nor have the untoward incidents of the war weakened my faith in ultimate victory—always provided that the allied nations put forth the whole of their strength ere it is too late. Anything less must lead to defeat. The allied countries have an overwhelming preponderance in the raw material that goes to the making and equipment of armies, whether in men, money, or accessible metals and machinery. But this material has to be mobilised and utilised. It would be idle to pretend that the first twelve months of the war has seen this task accomplished satisfactorily. Had the Allies realised in time the full strength of their redoubtable and resourceful foes—nay, what is more, had they realised their own strength and resources, and taken prompt action to organise them, to-day we should have witnessed the triumphant spectacle of their guns pouring out a stream of shot and shell which would have deluged the German

trenches with fire and scorched the German legions back across their own frontiers.

What is the actual position? It is thoroughly well known to the Germans, and anyone in any land, belligerent or neutral, who reads intelligently the military news, must by now have a comprehension of it. With the resources of Great Britain, France, Russia—yea, of the whole industrial world—at the disposal of the Allies, it is obvious that the Central Powers have still an overwhelming superiority in all the material and equipment of war. The result of this deplorable fact is exactly what might have been foreseen. The iron heel of Germany has sunk deeper than ever into French and Belgian soil. Poland is entirely German; Lithuania is rapidly following. Russian fortresses, deemed impregnable, are falling like sand castles before the resistless tide of Teutonic invasion. When will that tide recede? When will it be stemmed? As soon as the Allies are supplied with abundance of war material.

That is why I am recalling these unpleasant facts, because I wish to stir my countrymen to put forth their strength to amend the situation. To dwell on such events is the most disagreeable task that can fall to the lot of a public man. For all that, the public man who either shirks these facts himself, or does not do his best to force others to face them until they are redressed, is guilty of high treason to the State which he has sworn to serve.

There has been a great awakening in all the Allied countries, and prodigious efforts are being put forth to equip the armies in the field. I know what we are

doing: our exertions are undoubtedly immense. But can we do more either in men or material? Nothing but our best and utmost can pull us through. Are we now straining every nerve to make up for lost time? Are we getting all the men we shall want to put into the fighting line next year to enable us even to hold our own? Does every man who can help, whether by fighting or by providing material, understand clearly that ruin awaits remissness? How many people in this country fully apprehend the full significance of the Russian retreat? For over twelve months Russia has in spite of deficiencies in equipment absorbed the energies of half the German and four-fifths of the Austrian forces. Is it realised that Russia has for the time being made her contribution—and what a heroic contribution it is!—to the struggle for European freedom, and that we cannot for many months to come expect the same active help from the Russian armies that we have hitherto received? Who is to take the Russian place in the fight whilst those armies are re-equipping? Who is to bear the weight which has hitherto fallen on Russian shoulders? France cannot be expected to sustain much heavier burdens than those which she now bears with a quiet courage that has astonished and moved the world. Italy is putting her strength into the fight. What could she do more? There is only Britain left. Is Britain prepared to fill up the great gap that will be created when Russia has retired to re-arm? Is she fully prepared to cope with all the possibilities of the next few months—in the West, without forgetting the East? Upon the answer which Government, employers, workmen, financiers, young men

who can bear arms, women who can work in factories—in fact, the whole people of this great land, give to this question, will depend the liberties of Europe for many a generation.

A shrewd and sagacious observer told me the other day that in his judgment the course pursued by this country during the next three months would decide the fate of this war. If we are not allowed to equip our factories and workshops with adequate labour to supply our armies, because we must not transgress regulations applicable to normal conditions; if practices are maintained which restrict the output of essential war material; if the nation hesitates, when the need is clear, to take the necessary steps to call forth its manhood to defend honour and existence; if vital decisions are postponed until too late; if we neglect to make ready for all probable eventualities; if, in fact, we give ground for the accusation that we are slouching into disaster as if we were walking along the ordinary paths of peace without an enemy in sight; then I can see no hope: but if we sacrifice all we own and all we like for our native land; if our preparations are characterised by grip, resolution, and a prompt readiness in every sphere; then victory is assured.

D. LLOYD GEORGE.

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# CHAPTER I

## "THROUGH TERROR TO TRIUMPH!" [1]

### *Why Our National Honour is Involved.*

THERE is no man who has always regarded the prospect of engaging in a great war with greater reluctance and with greater repugnance than I have done throughout the whole of my political life. There is no man more convinced that we could not have avoided it without national dishonour. I am fully alive to the fact that every nation who has ever engaged in any war has always invoked the sacred name of honour. Many a crime has been committed in its name; there are some being committed now. All the same, national honour is a reality, and any nation that disregards it is doomed. Why is our honour as a country involved in this war? Because, in the first instance, we are bound by honourable obligations to defend the independence, the liberty, the integrity, of a small neighbour who has always lived peaceably. She could not have compelled us; she was weak; but the man who declines to discharge his duty because his creditor is too poor to enforce it is a blackguard. We entered into a treaty—a solemn treaty—two treaties—to defend Belgium and her integrity. Our signatures are attached to the documents. Our

[1] Speech on the War, delivered at the Queen's Hall, London, on September 19th, 1914.

signatures do not stand alone there; this country was not the only country that undertook to defend the integrity of Belgium. Russia, France, Austria, Prussia —they are all there. Why are Austria and Prussia not performing the obligations of their bond?

*France and Belgium in* 1870.

It is suggested that when we quote this treaty it is purely an excuse on our part—it is our low craft and cunning to cloak our jealousy of a superior civilisation that we are attempting to destroy. Our answer is the action we took in 1870. What was that? Mr. Gladstone was then Prime Minister. Lord Granville, I think, was then Foreign Secretary. I have never heard it laid to their charge that they were ever Jingoes. That treaty bound us then. We called upon the belligerent Powers to respect it. We called upon France, and we called upon Germany. At that time, bear in mind, the greatest danger to Belgium came from France and not from Germany. We intervened to protect Belgium against France, exactly as we are doing now to protect her against Germany. We proceeded in exactly the same way. We invited both the belligerent Powers to state that they had no intention of violating Belgian territory. What was the answer given by Bismarck? He said it was superfluous to ask Prussia such a question in view of the treaties in force. France gave a similar answer. We received at that time the thanks of the Belgian people for our intervention in a very remarkable document. It is a document addressed by the municipality of Brussels to Queen Victoria after that intervention, and it reads:—

"The great and noble people over whose destinies you preside has just given a further proof of its benevolent sentiments towards our country. . . . The voice of the English nation has been heard above the din of arms, and it has asserted the principles of justice and right. Next to the unalterable attachment of the Belgian people to their independence, the strongest

sentiment which fills their hearts is that of an imperishable gratitude."

That was in 1870. Mark what followed. Three or four days after that document of thanks, a French army was wedged up against the Belgian frontier, every means of escape shut out by a ring of flame from Prussian cannon. There was one way of escape. What was that? Violating the neutrality of Belgium. What did they do? The French on *that* occasion preferred ruin and humiliation to the breaking of their bond. The French Emperor, the French Marshals, a hundred thousand gallant Frenchmen in arms, preferred to be carried captive to the strange land of their enemies, rather than dishonour the name of their country. It was the last French Army in the field. Had they violated Belgian neutrality, the whole history of that war would have been changed, and yet, when it was the interest of France to break the treaty then, she did not do it.

### "*A Scrap of Paper.*"

It is the interest of Prussia to-day to break the treaty, and she has done it. She avows it with cynical contempt for every principle of justice. She says: "Treaties only bind you when it is your interest to keep them." "What is a treaty?" says the German Chancellor. "A scrap of paper." Have you any £5 notes about you? I am not calling for them. Have you any of those neat little Treasury £1 notes? If you have, burn them; they are only scraps of paper. What are they made of? Rags. What are they worth? The whole credit of the British Empire. Scraps of paper! I have been dealing with scraps of paper within the last month. One suddenly found the commerce of the world coming to a standstill. The machine had stopped. Why? I will tell you. We discovered—many of us for the first time, for I do not pretend that I do not know much more about the machinery of commerce to-day than I did six weeks ago, and there are many others like me—we discovered that the machinery of commerce

was moved by bills of exchange. I have seen some of them, wretched, crinkled, scrawled over, blotched, frowsy, and yet those wretched little scraps of paper move great ships laden with thousands of tons of precious cargo from one end of the world to the other. What is the motive power behind them? The honour of commercial men.

Treaties are the currency of International statesmanship. Let us be fair: German merchants, German traders, have the reputation of being as upright and straightforward as any traders in the world, but if the currency of German commerce is to be debased to the level of that of her statesmanship, no trader from Shanghai to Valparaiso will ever look at a German signature again. This doctrine of the scrap of paper, this doctrine which is proclaimed by Bernhardi, that treaties only bind a nation as long as it is to its interest, goes under the root of all public law. It is the straight road to barbarism. It is as if you were to remove the Magnetic Pole because it was in the way of a German cruiser. The whole navigation of the seas would become dangerous, difficult and impossible; and the whole machinery of civilisation will break down if this doctrine wins in this war. We are fighting against barbarism, and there is only one way of putting it right. If there are nations that say they will only respect treaties when it is to their interest to do so, we must make it to their interest to do so for the future.

*Germany's Perjury.*

What is their defence? Consider the interview which took place between our Ambassador and the great German officials. When their attention was called to this treaty to which they were parties, they said: "We cannot help that. Rapidity of action is the great German asset." There is a greater asset for a nation than rapidity of action, and that is honest dealing. What are Germany's excuses? She says Belgium was plotting against her; Belgium was engaged in a great conspiracy with Britain and with France to attack her. Not merely is it not

true, but Germany knows it is not true. What is her other excuse? That France meant to invade Germany through Belgium. That is absolutely untrue. France offered Belgium five army corps to defend her if she were attacked. Belgium said: "I do not require them; I have the word of the Kaiser. Shall Cæsar send a lie?" All these tales about conspiracy have been vamped up since. A great nation ought to be ashamed to behave like a fraudulent bankrupt, perjuring its way through its obligations. What she says is not true. She has deliberately broken this treaty, and we were in honour bound to stand by it.

*Belgium's "Crime."*

Belgium has been treated brutally. How brutally we shall not yet know. We already know too much. But what had she done? Had she sent an ultimatum to Germany? Had she challenged Germany? Was she preparing to make war on Germany? Had she inflicted any wrong upon Germany which the Kaiser was bound to redress? She was one of the most unoffending little countries in Europe. There she was—peaceable, industrious, thrifty, hard-working, giving offence to no one. And her cornfields have been trampled, her villages have been burnt, her art treasures have been destroyed, her men have been slaughtered—yea, and her women and children too. Hundreds and thousands of her people, their neat, comfortable little homes burnt to the dust, are wandering homeless in their own land. What was their crime? Their crime was that they trusted to the word of a Prussian King. I do not know what the Kaiser hopes to achieve by this war. I have a shrewd idea what he will get; but one thing he has made certain, and that is that no nation will ever commit that crime again.

*"The Right to Defend its Homes."*

I am not going to enter into details of outrages. War is a grim, ghastly business at best or at worst, and I am not going to say that all that has been said in the way of

outrages must necessarily be true. I will go beyond that, and I will say that if you turn two million men—forced, conscript, compelled, driven—into the field, you will always get amongst them a certain number who will do things that the nation to which they belong would be ashamed of. I am not depending on these tales. It is enough for me to have the story which Germans themselves avow, admit, defend and proclaim—the burning and massacring, the shooting down of harmless people. Why? Because, according to the Germans, these people fired on German soldiers. What business had Germans soldiers there at all? Belgium was acting in pursuance of the most sacred right, the right to defend its homes. But they were not in uniform when they fired! If a burglar broke into the Kaiser's Palace at Potsdam, destroyed his furniture, killed his servants, ruined his art treasures—especially those he has made himself—and burned the precious manuscripts of his speeches, do you think he would wait until he got into uniform before he shot him down? The Belgians were dealing with those who had broken into their household.

But the perfidy of the Germans has already failed. They entered Belgium to save time. The time has gone. They have not gained time, but they have lost their good name.

*The Case of Serbia.*

But Belgium is not the only little nation that has been attacked in this war, and I make no excuse for referring to the case of the other little nation, the case of Serbia. The history of Serbia is not unblotted. Whose history, in the category of nations, is unblotted? The first nation that is without sin, let her cast a stone at Serbia. She was a nation trained in a horrible school, but she won her freedom with a tenacious valour, and she has maintained it by the same courage. If any Serbians were mixed up in the assassination of the Grand Duke, they ought to be punished. Serbia admits that. The Serbian Government had nothing to do with it. Not even Austria claims that. The Serbian Prime Minister is one of the most capable and honoured men in Europe. Serbia

was willing to punish any one of her subjects who had been proved to have any complicity in that assassination. What more could you expect?

What were the Austrian demands? Serbia sympathised with her fellow-countrymen in Bosnia—that was one of her crimes. She must do so no more. Her newspapers were saying nasty things about Austria: they must do so no longer. That is the German spirit; you had it in Zabern. How dare you criticise a Prussian official? And if you laugh, it is a capital offence—the colonel in Zabern threatened to shoot if it was repeated. In the same way the Serbian newspapers must not criticise Austria. I wonder what would have happened if we had taken the same line about German newspapers! Serbia said: "Very well, we will give orders to the newspapers that they must in future criticise neither Austria, nor Hungary, nor anything that is theirs." Who can doubt the valour of Serbia, when she undertook to tackle her newspaper editors? She promised not to sympathise with Bosnia; she promised to write no critical articles about Austria; she would have no public meetings in which anything unkind was said about Austria.

"*Serbia Faced the Situation with Dignity.*"

But that was not enough. She must dismiss from her army the officers whom Austria should subsequently name—those officers who had just emerged from a war where they had added lustre to the Serbian arms. They were gallant, brave and efficient. I wonder whether it was their guilt or their efficiency that prompted Austria's action! But, mark you, the officers were not named; Serbia was to undertake in advance to dismiss them from the army, the names to be sent in subsequently. Can you name a country in the world that would have stood that? Supposing Austria or Germany had issued an ultimatum of that kind to this country, saying, "You must dismiss from your Army—and from your Navy—all those officers whom we shall subsequently name." Well, I think I could name them now. Lord Kitchener

would go. Sir John French would be sent away ; General Smith-Dorrien would go, and I am sure that Sir John Jellicoe would have to go. And there is another gallant old warrior who would go—Lord Roberts. It was a difficult situation for a small country. Here was a demand made upon her by a great military Power that could have put half-a-dozen men in the field for every one of Serbia's men, and that Power was supported by the greatest military Power in the world. How did Serbia behave ? It is not what happens to you in life that matters ; it is the way in which you face it—and Serbia faced the situation with dignity. She said to Austria : " If any officers of mine have been guilty, and are proved to be guilty, I will dismiss them." Austria said : " That is not good enough for me." It was not guilt she was after, but capacity.

*Russia's Turn.*

Then came Russia's turn. Russia has a special regard for Serbia ; she has a special interest in Serbia. Russians have shed their blood for Serbian independence many a time, for Serbia is a member of Russia's family, and she cannot see Serbia maltreated. Austria knew that. Germany knew it, and she turned round to Russia, and said : " I insist that you shall stand by with your arms folded whilst Austria is strangling your little brother to death." What answer did the Russian Slav give ? He gave the only answer that becomes a man. He turned to Austria, and said : " You lay hands on that little fellow, and I will tear your ramshackle Empire limb from limb." And he will do it !

*The Little Nations.*

That is the story of two little nations. The world owes much to little nations—and to little men ! This theory of bigness, this theory that you must have a *big* Empire, and a *big* nation, and a *big* man—well, long legs have their advantage in a retreat. Frederick the Great chose his warriors for their height, and that tradition has become a policy in Germany. Germany applies that ideal

to nations, and will only allow six-foot-two nations to stand in the ranks. But ah! the world owes much to the little five-foot-five nations. The greatest art in the world was the work of little nations; the most enduring literature of the world came from little nations; the greatest literature of England came when she was a nation of the size of Belgium fighting a great Empire. The heroic deeds that thrill humanity through generations were the deeds of little nations fighting for their freedom. Yes, and the salvation of mankind came through a little nation. God has chosen little nations as the vessels by which He carries His choicest wines to the lips of humanity, to rejoice their hearts, to exalt their vision, to stimulate and strengthen their faith; and if we had stood by when two little nations were being crushed and broken by the brutal hands of barbarism, our shame would have rung down the everlasting ages.

*"The Test of Our Faith."*

But Germany insists that this is an attack by a lower civilisation upon a higher one. As a matter of fact, the attack was begun by the civilisation which calls itself the higher one. I am no apologist for Russia: she has perpetrated deeds of which I have no doubt her best sons are ashamed. What Empire has not? But Germany is the last Empire to point the finger of reproach at Russia. Russia has made sacrifices for freedom—great sacrifices. Do you remember the cry of Bulgaria when she was torn by the most insensate tyranny that Europe has ever seen? Who listened to that cry? The only answer of the higher civilisation was that the liberty of the Bulgarian peasants was not worth the life of a single Pomeranian soldier. But the rude barbarians of the North sent their sons by the thousand to die for Bulgarian freedom. What about England? Go to Greece, the Netherlands, Italy, Germany, France—in all those lands I could point out places where the sons of Britain have died for the freedom of those peoples. France has made sacrifices for the freedom of other lands than her own. Can you name a single country in the

world for the freedom of which modern Prussia has ever sacrificed a single life? By the test of our faith, the highest standard of civilisation is the readiness to sacrifice for others.

### *German "Civilisation."*

I will not say a single word in disparagement of the German people. They are a great people, and have great qualities of head and hand and heart. I believe, in spite of recent events, that there is as great a store of kindliness in the German peasant as in any peasant in the world; but he has been drilled into a false idea of civilisation. It is efficient, it is capable; but it is a hard civilisation; it is a selfish civilisation; it is a material civilisation. They cannot comprehend the action of Britain at the present moment; they say so. They say, "France we can understand; she is out for vengeance; she is out for territory—Alsace and Lorraine." They say they can understand Russia; she is fighting for mastery—she wants Galicia. They can understand you fighting for vengeance—they can understand you fighting for mastery—they can understand you fighting for greed of territory; but they cannot understand a great Empire pledging its resources, pledging its might, pledging the lives of its children, pledging its very existence, to protect a little nation that seeks to defend herself. God made man in His own image, high of purpose, in the region of the spirit; German civilisation would re-create him in the image of a Diesel machine—precise, accurate, powerful, but with no room for soul to operate.

### *Philosophy of Blood and Iron.*

Have you read the Kaiser's speeches? If you have not a copy I advise you to buy one; they will soon be out of print, and you will not have many more of the same sort. They are full of the glitter and bluster of German militarism—"mailed fist," and "shining armour." Poor old mailed fist! Its knuckles are getting a little bruised. Poor shining armour! The shine is being knocked out

of it. There is the same swagger and boastfulness running through the whole of the speeches. The extract which was given in the *British Weekly* this week is a very remarkable product as an illustration of the spirit we have to fight. It is the Kaiser's speech to his soldiers on the way to the front:—

"Remember that the German people are the chosen of God. On me, the German Emperor, the Spirit of God has descended. I am His sword, His weapon, and His vicegerent. Woe to the disobedient, and death to cowards and unbelievers."

Lunacy is always distressing, but sometimes it is dangerous; and when you get it manifested in the head of the State, and it has become the policy of a great Empire, it is about time that it should be ruthlessly put away. I do not believe he meant all those speeches; it was simply the martial straddle he had acquired. But there were men around him who meant every word of them. This was their religion. Treaties? They tangle the feet of Germany in her advance. Cut them with the sword! Little nations? They hinder the advance of Germany. Trample them in the mire under the German heel! The Russian Slav? He challenges the supremacy of Germany and Europe. Hurl your legions at him and massacre him! Britain? She is a constant menace to the predominancy of Germany in the world. Wrest the trident out of her hand! Christianity? Sickly sentimentalism about sacrifice for others! Poor pap for German digestion! We will have a new diet. We will force it upon the world. It will be made in Germany—a diet of blood and iron. What remains? Treaties have gone. The honour of nations has gone. Liberty has gone. What is left? Germany! Germany is left!—"Deutschland über Alles!" That is what we are fighting—that claim to predominancy of a material, hard civilisation, a civilisation which if it once rules and sways the world, liberty goes, democracy vanishes. And unless Britain and her sons come to the rescue it will be a dark day for humanity.

*"The Road-Hog of Europe."*

We are not fighting the German people. The German people are under the heel of this military caste, and it will be a day of rejoicing for the German peasant, artisan and trader when the military caste is broken. You know its pretensions. They give themselves the airs of demi-gods. They walk the pavements, and civilians and their wives are swept into the gutter; they have no right to stand in the way of a great Prussian soldier. Men, women, nations—they all have to go. He thinks all he has to say is "We are in a hurry." That is the answer he gave to Belgium—"Rapidity of action is Germany's greatest asset," which means "I am in a hurry; clear out of my way." You know the type of motorist, the terror of the roads, with a 60 horse-power car, who thinks the roads are made for him, and knocks down anybody who impedes the action of his car by a single mile an hour. The Prussian Junker is the road-hog of Europe. Small nationalities in his way are hurled to the roadside, bleeding and broken. Women and children are crushed under the wheels of his cruel car, and Britain is ordered out of his road. All I can say is this: if the old British spirit is alive in British hearts, that bully will be torn from his seat. Were he to win, it would be the greatest catastrophe that has befallen democracy since the day of the Holy Alliance and its ascendancy.

*"Through Terror to Triumph."*

They think we cannot beat them. It will not be easy. It will be a long job; it will be a terrible war; but in the end we shall march through terror to triumph. We shall need all our qualities—every quality that Britain and its people possess—prudence in counsel, daring in action, tenacity in purpose, courage in defeat, moderation in victory; in all things faith!

It has pleased them to believe and to preach the belief that we are a decadent and degenerate people. They proclaim to the world through their professors that we are a non-heroic nation skulking behind our mahogany

counters, whilst we egg on more gallant races to their destruction. This is the description given of us in Germany—"a timorous, craven nation, trusting to its Fleet." I think they are beginning to find their mistake out already—and there are half a million young men of Britain who have already registered a vow to their King that they will cross the seas and hurl that insult to British courage against its perpetrators on the battlefields of France and Germany. We want half a million more; and we shall get them.

### "*A Welsh Army in the Field.*"

Wales must continue doing her duty. I should like to see a Welsh Army in the field. I should like to see the race that faced the Norman for hundreds of years in a struggle for freedom, the race that helped to win Crecy, the race that fought for a generation under Glendower against the greatest captain in Europe—I should like to see that race give a good taste of its quality in this struggle in Europe; and they are going to do it.

### *The Sacrifice.*

I envy you young people your opportunity. They have put up the age limit for the Army, but I am sorry to say I have marched a good many years even beyond that. It is a great opportunity, an opportunity that only comes once in many centuries to the children of men. For most generations sacrifice comes in drab and weariness of spirit. It comes to you to-day, and it comes to-day to us all, in the form of the glow and thrill of a great movement for liberty, that impels millions throughout Europe to the same noble end. It is a great war for the emancipation of Europe from the thraldom of a military caste which has thrown its shadows upon two generations of men, and is now plunging the world into a welter of bloodshed and death. Some have already given their lives. There are some who have given more than their own lives; they have given the lives of those who are dear to them. I honour their courage, and may God be their comfort and their strength. But their reward is at hand; those

who have fallen have died consecrated deaths. They have taken their part in the making of a new Europe—a new world. I can see signs of its coming in the glare of the battlefield.

*The "New Patriotism."*

The people will gain more by this struggle in all lands than they comprehend at the present moment. It is true they will be free of the greatest menace to their freedom. That is not all. There is something infinitely greater and more enduring which is emerging already out of this great conflict—a new patriotism, richer, nobler, and more exalted than the old. I see amongst all classes, high and low, shedding themselves of selfishness, a new recognition that the honour of the country does not depend merely on the maintenance of its glory in the stricken field, but also in protecting its homes from distress. It is bringing a new outlook for all classes. The great flood of luxury and sloth which had submerged the land is receding, and a new Britain is appearing. We can see for the first time the fundamental things that matter in life, and that have been obscured from our vision by the tropical growth of prosperity.

*"The Vision."*

May I tell you in a simple parable what I think this war is doing for us? I know a valley in North Wales, between the mountains and the sea. It is a beautiful valley, snug, comfortable, sheltered by the mountains from all the bitter blasts. But it is very enervating, and I remember how the boys were in the habit of climbing the hill above the village to have a glimpse of the great mountains in the distance, and to be stimulated and freshened by the breezes which came from the hilltops, and by the spectacle of their grandeur. We have been living in a sheltered valley for generations. We have been too comfortable and too indulgent, many, perhaps, too selfish, and the stern hand of fate has scourged us to an elevation where we can see the everlasting things

that matter for a nation—the great peaks we had forgotten, of Honour, Duty, Patriotism, and, clad in glittering white, the towering pinnacle of Sacrifice pointing like a rugged finger to Heaven. We shall descend into the valleys again; but as long as the men and women of this generation last, they will carry in their hearts the image of those mighty peaks whose foundations are not shaken, though Europe rock and sway in the convulsions of a great war.

## CHAPTER II

### THE SILVER BULLET [1]

WE want every penny we can raise to fight the common enemy, and our first consideration ought to be to win. Unless we do that, there will be no country for municipalities or Governments to administer. The first essential is that we should come out triumphant in this struggle, and as finance is going to play a very great part we must husband our resources. We must, of course, relieve distress: we must see that our people suffer as little as possible under these terrible conditions, and therefore we are prepared to meet you; but we do not want a penny spent that is not absolutely essential for the relief of distress. In my judgment, the last few hundred millions may win this war. The first hundred millions our enemies can stand as well as we can, but the last they cannot, thank God; and therefore I think cash is going to count much more than we imagine at the present moment. We are only beginning now. Of course, if we have great victories, smashing victories, that is all right; but then they may not come yet. We may have fluctuations, and the war may last long. We are fighting a very tough enemy, who is very well prepared for the struggle, and who will probably fight until he is exhausted rather than accept the terms upon which we can possibly make peace.

We must therefore ask the municipalities to assist us in this direction. We need all our resources, not merely

[1] Extract from Speech delivered at the Treasury on September 8th, 1914, to a deputation from the Association of Municipal Corporations, on the subject of local expenditure.

of men, but of cash. We have won with the silver bullet before. We financed Europe in the greatest war we ever fought, and that is how we won. Of course, British courage and British tenacity always come in, and they always will, but let us remember that British cash told too. When the others were quite exhausted, we were getting our second breath, and our third, and our fourth. We shall spend our last before we are beaten.

*The Need for Economy.*

It is the business of the Local Government Board to see that you go on spending. Our business is to see that you do not spend too much. I am speaking now as the Treasury. Therefore, speaking purely as the Treasury, we will find the money for you if there is distress, but we do not wish to find any money unless there is really actual insistent distress in the districts. It is very much better that you should provide work for the people in a normal way if you can. Our trade is not disappearing. The seas are ours, and they will remain ours. We shall get not merely our own trade, excepting that of some European countries, but we shall get a good deal of the enemy's trade as well; and besides that there is the business that is necessary to keep the war going. So that there will be a great deal of employment in the ordinary course of things, and I do not want municipalities that are not hard hit to spend money. We want that money for fighting, and it will be much better used for fighting than in spending it on municipalities that do not need it. I do not want you to raise money, therefore, in districts where on the whole there is plenty of work. On the other hand, if there is great distress, as there will be in some districts, then you and the Local Government Board will between you work out the matter in those districts. We must work as partners and work together—all parties, all sections, of the people, the Government and municipalities—until we carry the old country through to a successful conclusion of the war.

## CHAPTER III

### SHARERS OF THE BURDEN [1]

Our expenditure is higher in proportion to the forces in the field than the expenditure in any other country. There are two or three reasons for that. I am not sure that it is generally realised how many men we have under arms at the present moment. We have at least 2,000,000 men serving the country under arms at the present moment, and, if the next million is enlisted, as I confidently anticipate it will be, in the course of the next few months, there will be 3,000,000 men under arms. It is forgotten too often that, in addition to a very considerable Army, we are maintaining a huge Navy as well. The separation allowances to our troops and to those serving in the Navy are on a more liberal scale than those of any other country in the world. The estimate, roughly, is that when the million men are added to our Army, the separation allowances will cost something like £65,000,000. In addition to that, the pay of the Army is considerably higher. There are two or three other items of expenditure which make the cost of our forces, both on sea and land, higher in proportion to the number of men incorporated in them than probably in any of the other belligerent countries.

### "*No War as Costly.*"

The Budget Estimate of the revenue was £207,146,000. Up to the time when war was declared there was every

[1] From the War Budget Speech delivered in the House of Commons, 17th November, 1914.

prospect that that Estimate would be fully realised. Since then there has been a drop in the revenue not nearly as considerable as one would have feared, but by the end of the year I anticipate that the Treasury will be short of £11,350,000. I therefore estimate that the revenue on the present basis will produce £195,796,000. The estimated expenditure on the basis of the estimates actually presented before the outbreak of war was £206,924,000. To this must now be added the abnormal expenditure due to the war of £328,443,000. That means that we have to find before the end of the financial year a total sum of £535,367,000. If the revenue which we anticipate will be collected by the 31st March is deducted from that amount, that will show a deficiency of £339,571,000. The question is how that is to be met. Of course, it is far and away the largest sum that Great Britain has ever had to meet in the course of a single year. No war has been as costly. No war has even approximated in cost to the present war. The largest amount spent by Great Britain on war in a single year before the present war was £71,000,000. The Revolutionary and Napoleonic Wars cost in the aggregate £831,000,000; that war was spread over twenty years. The Crimean War cost £67,500,000; that was spread over three financial years. The Boer War cost £211,000,000; that was spread over four financial years. The first full year of this war will cost at least £450,000,000. We are continually increasing the number of men, and therefore the rate of expenditure increases.

*Precedents for Paying by Taxation.*

It is obviously out of the question to raise the whole of this sum of money by taxation. Is it worth while raising any, and, if so, what proportion by means of taxes? If we do not tax and tax heavily, it will be a serious departure for the first time from the honoured traditions set and hitherto maintained by this country in every single war in which it has ever been engaged. Let us examine one or two of the precedents. The first great precedent is that of the French Wars at the end of the

eighteenth and the beginning of the nineteenth centuries. The total cost of those wars, as I have already stated to the Committee, was £831,000,000. The amount raised by loans came to £440,000,000. The amount raised by Pitt and his successors out of taxes came to £391,000,000.

The next precedent is the precedent of the Crimean War. The total cost of that war was £67,500,000. Of that, £32,000,000 was found by means of loans, and £35,500,000 was raised by means of special taxes during the war. I should also like to call the attention of the Committee to another very important consideration—the comparative wealth of the country during the French wars of the eighteenth century and its wealth at the present moment. Mr. Pitt, in introducing his Income Tax at the end of the eighteenth century, estimated the income of the country at £102,000,000. I think that was the income of Great Britain alone. As a matter of fact, Income Tax was paid upon a sum of £57,000,000, so that either he overestimated the amount of the income which was available, or perhaps there may have been some evasion.

### "*The Heroic Level of our Ancestors.*"

Let us assume that Mr. Pitt's figures were correct. Allowing for evasion, and bearing in mind that industrial wages were very low, even in comparison, the total income of the country at that time could hardly have been £250,000,000 a year. At the present time it is estimated to be £2,300,000,000. Everything was taxed—income, alcohol, food, light, auctions—everything that the ingenuity of Chancellors of the Exchequer could think of. The revenue raised for war and ordinary purposes ranged from £50,000,000 to £70,000,000 a year. That means that at one stage, one-fifth of the national income; at another, one-fourth; at another, between one-fourth and one-third, of the total income of the country was taken for public purposes. If we rose to the heroic level of our ancestors we should be raising to-day a revenue of between £450,000,000 and £700,000,000, and no borrow-

ings would be necessary. May I also point this out, that had Mr. Pitt not set that noble and heroic example, and had it not been followed by his successors, we should to-day have been devoting the proceeds of a fourpenny Income Tax to pay interest in respect of money which he found out of taxation, which otherwise would have been borrowed and added to the National Debt; and since that day, between £1,500,000,000 and £2,000,000,000 would have been paid upon that amount, because it would have crippled and depressed his borrowing powers.

### "*Their Means as Compared with Ours.*"

Mr. Gladstone, in considering the same problem on a much smaller scale than the one, I am sorry to say, with which I am confronted, made use of these words. It was during the Crimean War. After referring to the example set by Mr. Pitt and the principles laid down by him, he went on to say :—

> "These, then, were the convictions which Mr. Pitt and the successors of Mr. Pitt entertained of their duty to their country. This was the idea that they had of their obligations to posterity. Do you suppose that in those days, when the Duke of Wellington was crowning the British arms with fresh laurels from year to year, your fathers did not think they were fighting for the advantage of posterity? Did they not think they were fighting for our advantage—for we were posterity to them—when they made such efforts to meet those tremendous charges by sacrifices of their own? Why cannot you do that in 1854 which your fathers did in 1798? What were their means as compared with ours?"

It is equally true to-day. I could adapt that last phrase, and say, "When Sir John French and his armies are adding fresh laurels to the military story of this country, why cannot you do that in 1914 which your fathers did in 1798 and in 1854? What were their means as compared with ours?" The arguments then used by Mr. Pitt,

afterwards by Mr. Gladstone, afterwards by Lord St. Aldwyn when he was Chancellor of the Exchequer, are just as applicable to-day. It must be remembered that heavy increased taxation may be inevitable as the result of the war. There will be the interest on the Sinking Fund, there will be the increase of the pension list, there will be the inevitable increase in separation allowances, and the less raised during the war by taxation the heavier the taxes after the war is over.

### "*A Longer Rather Than a Shorter Period.*"

It may be asked, Why should we begin now? I am not going to presume to express an opinion about the duration of the war. There is no man, however equipped and however competent, who can express an absolutely reliable opinion upon that subject. There may be accidents which will shorten the war. There may be accidents that will lengthen the war. It depends upon questions military. It depends upon questions political. It depends upon subtle human considerations that are outside the purview of both. I am therefore not going to express an opinion. We are fighting a tough enemy. We are fighting an enemy that cannot submit to any terms we can accept—to any terms we can prudently accept—without a smashing defeat. Let us bear this in mind when we are making our calculations. Therefore if there is any doubt about the length of the war, I am bound, as Chancellor of the Exchequer, to assume a longer period rather than a shorter period in making my plans. It would be unwise to do otherwise; it would be imprudent and show a deplorable lack of foresight. That is the basis upon which I am proceeding, and if I assume in the course of my arguments that the war is going to take a long period, it is not because I have formed any estimate upon the subject, but because I think it wiser to do so when laying financial plans for the future. We should be all the stronger to get through, long or short; and whether long or short we have to settle once and for all the great questions that have been the cause of irritation for generations in Europe.

### *"Cowardly Finance."*

I should like first of all to give one figure in justification of the proposals which I shall submit for taxation. Taking the loss of revenue and interest together upon the money we have borrowed for the war, I shall have to find this year about £16,000,000, while next year £50,000,000 will have to be found for interest and loss of revenue. I am taking all assumptions into account, and the fact that next year you will probably have a million or two millions of men who will have left this country. To that extent the revenue will be deprived of some of its support. No one suggests borrowing for any of these purposes. That would be profligate finance. It would be cowardly finance in the extreme.

### *"An Artificial Stimulus."*

By far the greater part of the money raised, whether by loan or otherwise, for the purpose of this war, will be expended in this country. I should not like to express an opinion as to how much, but I should say at least four-fifths will be spent in this country. Immediately after the war there must be a period of reconstruction, not merely here, but in Europe, when enormous demands will be made on the manufacturing resources of this country. During the war, and during the period of reconstruction, there will be practically no competition in the neutral markets of the world except from America. We shall, therefore, practically command those markets, because America certainly cannot supply the demand. Therefore, when I am taking those two periods into account, I think we can look forward to something like four or five years when the industries of this country will have the artificial stimulus which comes from these abnormal conditions. When that period is over, we shall be face to face with one of the most serious industrial situations with which we have ever been confronted. We shall have exhausted an enormous amount of the capital of the world which would otherwise have been available for industry. Our purchasers both here and abroad will

be crippled. Their purchasing power will have been depressed, and—let us make no mistake—Great Britain will be confronted with some of the gravest problems with which it has ever been faced.

### *Raising Money by Taxation.*

Therefore I want to impress with all the earnestness at my command that it is desirable that the nation, during this period of inflation, should raise as much money out of taxation as it can be induced to contribute. Every twenty millions raised annually by taxation during this period means four or five millions taken off the permanent burdens thereafter imposed on the country. We shall certainly need all that relief to face the period which we have in front of us. With wisdom, sagacity, and foresight, we shall come through it, but let us think about it in time, and lay down our plans accordingly.

Taxes will have to be imposed to meet permanent charges after the war. I hope there will be a great reduction in the cost of armaments as the result of the war. I should regard the war as having failed in one of its chief purposes unless it led to an all-round reduction in the inflated cost of armaments. But even then, for the first few years after the war, we must anticipate heavy increased charges. It is easier to raise taxes in a period of war and to lower them in a period of peace than it would be to raise even lower taxes in a period of peace.

### *"The Spirit of Sacrifice."*

War is the time for sacrifice in nations; they are in the spirit of sacrifice. It is a time when men know that they are expected to give up comforts, possessions, health, limb, life—all that the State requires in order to carry it through the hour of its trial. It is a time of danger, when men part willingly with anything in order to avert evils impending on the country they love, and I am perfectly certain that when there are millions of our countrymen volun-

teering to risk their lives, men who cannot volunteer are not going to grudge a fair share of their possessions. It is not merely a time of sacrifice, it is a time for the temper of self-denial, it is a time to ask the nation to make sacrifices. People who cannot go and give their lives are anxious to do something else to assist, and I am perfectly certain I should be committing an unpardonable blunder against the highest interests of this country if as Chancellor of the Exchequer, however disagreeable the task may be, I did not take this, the earliest possible opportunity, for submitting proposals that would enable people to contribute something towards carrying on the war in which the honour and life of their country are so deeply involved.

*The Efforts of Other Countries.*

It is not easy to refer to what other countries are doing. Russia is taxing and taxing heavily in that wonderful spirit of heroism and self-abnegation which Russia is showing all round, and which is the marvel of the whole world. It is not merely that she is taxing and taxing heavily, but she is doing that at a moment when she is prohibiting the sale of a commodity which is bringing in tens of millions to her pockets. It is one of the greatest acts of national heroism which I think any country has ever displayed in the face of great danger. Other countries are not in the same condition as we are. The oversea trade of Germany and Austria is completely cut off by our Fleet; nine-tenths of their overland trade is gone; they are deprived of their raw material; they are deprived of a good deal of their food supplies; their exports are practically gone. Not an unimportant part of French territory is still, unfortunately, in possession of the enemy. This country is absolutely free from the invader. Not only that, but our oversea trade is carried on practically without any interruption. We have lost a certain amount of lucrative business on the Continent, but the markets of the world are open, not merely for the trade we used to carry on, but for the trade the enemy used to carry on before the war.

*"The Best Traditions of Finance."*

I am quite alive to the danger which has been pointed out of the possible effect upon the loan. But after anxious consultation with those who have been advising me—and I do not think that anyone has ever been privileged to have had a better or more sagacious set of advisers than those who assisted me throughout the whole of this great crisis—I should point out that, at any rate, the vast majority of them are of opinion that the readiness to tax ourselves for the purpose of paying some part of the burden of war will strengthen our credit and give increased confidence that we are not going on by the easiest method of borrowing, but that we are going to carry on the very best traditions of the finance of this country.

*"Every Class to Bear their Share."*

As to the effect on trade, the Government propose to levy no taxes that will interfere with any productive industry. You can always find excuses and reasons against either levying or paying taxes. "This is not the time, this is not the way, this is not the method, this is not the amount, and these are not the persons or classes who ought to pay." It is always disagreeable. The function of the Chancellor of the Exchequer upon these occasions is the least picturesque and the most perilous of all the combatants. He is simply a coal-heaver; he is filling the bunkers of the battleships and is cursed by everybody as a nuisance; but still it is a very essential function, and my appeal—it is not necessary, I am sure—is that we should show courage. It does not require very much courage to tax ourselves, to give part of our income to fight the enemy, but let us show that we civilians of all classes are perfectly prepared to take our share of the burdens of this war. It is for these reasons that the Government propose to submit to the House of Commons proposals for raising a substantial sum by means of taxes. On the ground of policy, as well as of justice, it is inexpedient that a great

war, involving national honour and existence, should be financed by contributions levied upon any section—upon a minority of the population. It is peculiarly a case for every class, every condition, every grade, to bear their share of the burdens. I shall therefore submit proposals which will bring in, so far as we are able, all classes of the community.

[Here follow the proposals for taxation.]

*A War Loan to meet Deficiency.*

The account so far will stand thus:—New taxation, £15,500,000; suspension of Sinking Fund, £2,750,000; total, £18,250,000. That leaves me still with a deficiency to be made up of £321,321,000. There is only one way, I regret to say, of meeting that, that is by means of a War Loan. We have already borrowed £91,000,000 by means of Treasury Bills—£1,000,000 issued before the War and £90,000,000 after the outbreak of war. Of this total amount, £28,500,000 falls due before the end of the financial year, March 31. A further £45,000,000 falls due in April and May, the balance of £7,500,000 falling due in September. Assuming that the Treasury Bills are renewed at their maturity—and that may be determined upon according to the conditions at the end of a financial year—the net amount of further borrowings to meet our requirements to the end of the financial year would be £230,321,000. It is necessary to borrow that in order to carry us on to the end of the financial year. Now comes the question, a very important question and a very anxious question, whether we should borrow to the end of the financial year or attempt to raise an amount which will carry us on beyond the end of the financial year. There is, of course, one obvious argument, and only one obvious argument, in favour of borrowing to the end of the financial year, that is, the smaller the amount the easier we can raise it at the present moment.

*Looking Ahead.*

But there are strong and over-powering reasons in favour of raising a sum of money which will carry us

beyond that. One of those reasons is that the instalments must be spread over four or five months, and it is undesirable to have recourse to borrowing on Treasury Bills while the instalments upon the great loans are in process of being paid. The other is, that it is desirable to raise an amount that will carry the war forward, finance all the Services which are necessary to carry the war forward, not merely to the end of the financial year, but for some weeks beyond that, because at that time we shall certainly, I think, be in a better position to form an estimate as to the prospects of the war, assuming that it has not come to an end. We shall be well into the summer; the winter will have been well over, and great decisions will have been taken. Therefore we have decided—and I think we have taken the right course—to raise a sum of money which will enable us to carry the war through without a further appeal to the public up to the month of July next year.

*"Victory Means Value."*

I do not know that it is even necessary to appeal for the patriotic support of those who are in a position to invest in this War Loan. It is of enormous importance to this country that the money should be subscribed, not merely in order to enable us to get cash to carry on the war, but for the moral effect of it. The enemy knows that perfectly well. After taking the most elaborate precautions to see that the whole of the loan was either nominally or really subscribed—the great loan they have issued—they took also the most elaborate precautions to advertise the fact throughout the whole of the civilised world. They knew thoroughly the effect that that would have. I do not think it is necessary to point out to my fellow countrymen that the same considerations will apply to this country. It is a loan to help the country to fight the battle for its existence—to fight a battle which lends value to every other security which we possess. Victory means value, defeat means depreciation. It is an excellent investment, because the credit of Great Britain is still the best in the market, and after

this war it will be a better investment than ever. There will be no more loose and malevolent talk about the decay and downfall of the British Empire. Never have her sons displayed as great valour and skill in her defence; never have they displayed as great an eagerness to rally to her standard in the hour of her danger. The vast majority of her citizens cannot, owing to age, or infirmity, or physical disability, share the toils and dangers of those valiant fellow-countrymen of ours who are risking their lives in the field, but they can display the same readiness to render all the help in their power to their country in her need. Then, not only will the Empire win a great triumph in this trouble, but, what is more, the spirit now shown by her people of all ranks and races will be a guarantee that the victories won by her in the future will surpass even the great achievements recorded among the glories of her past.

# CHAPTER IV

## THE FOUNDATIONS OF BRITISH CREDIT[1]

THIS is the first great war that has ever been fought under modern conditions. In the great French Napoleonic wars practically all the countries of the world were self-contained. Great Britain had one-third of its present population. It raised its own food, and not only that, it raised its own raw materials, with the exception of gold and sub-tropical products like cotton. Iron, coal, copper and tin were all produced in this country. The total imports and exports of the country together came to about £86,000,000 in those days. Last year, the imports and exports put together came to £1,400,000,000 or £1,500,000,000. That shows how different the conditions are with which we are confronted in this country now as compared with the conditions with which our forefathers were confronted during the great European wars at the end of the eighteenth and the beginning of the nineteenth centuries. The international trade of the world at the commencement of this war was valued at about £8,000,000,000. I suppose that at the time of the Napoleonic wars it was perhaps only about £200,000,000.

### *Great Britain's Position.*

But what is much more remarkable is the unique and commanding position of Great Britain in that international trade. It is without parallel in the history of the com-

[1] Extract of Speech delivered in the House of Commons, November 27th, 1914, showing the steps taken by the Treasury since the beginning of the war to protect British finance.

merce of the world. We had not merely our own business to run; we were an essential part of the machinery that ran the whole international trade of the world. We provided the capital to raise the produce; we carried half the produce, not merely of our own country, but of the whole world. More than that, we provided the capital that moved that produce from one part of the world to another, not merely for ourselves, but for other countries.

I ask anyone to pick up just one little piece of paper, one bill of exchange, to find out what we were doing. Take the cotton trade of the world. The cotton was moved first of all from the plantations, say, to the Mississippi, then down to New Orleans; then it moved from there either to Great Britain or Germany or elsewhere. Every movement there was represented by a paper signed either here in London or Manchester or Liverpool; one signature was practically responsible for the whole of those transactions. Not merely that, but when the United States of America bought silk or tea in China the payment was made through London. By means of these documents accepted in London, New York paid for the tea that was bought from China.

### "*Half the Business of the World.*"

It shows how complicated the system had become. We were transacting far more than the whole of our own business; we were transacting half the business of the world as well by means of these paper operations. What is also important to establish is this: that the paper which was issued from London has become part of the currency of commerce throughout the world. It is remarkable how the whole of this huge business is done with very little transfer of gold. London last year received £50,000,000 in gold, and paid out £45,000,000. All the rest was paper.

### "*A Kick into an Ant-Hill.*"

What happened? All this fine, delicate paper machinery was crashed into by a great war affecting more than

half, and very nearly two-thirds, of the whole population of the world. Confusion was inevitable, and undoubtedly there was very great confusion. It was just as if one gave a violent kick to an ant-hill. For a short time there was much bewildering consternation in all the marts and exchanges of the world. The top of the ant-hill was off, and for a moment there was great fright. All the material was still there, but there was a very considerable panic, because war had never been waged by this country or any other country under such conditions before.

*Failure of Remittances from Abroad.*

But the deadlock which ensued was not due to any lack of credit in this country. It was due entirely to the fact that there was a failure of remittances from abroad. Take the whole of these bills of exchange. There were bills representing between £350,000,000 and £500,000,000. There was that amount of paper out at that time with British signatures. Most of it had been discounted. The cash had been found from British sources, and the failure was not due to the fact that Great Britain had not paid her creditors abroad. It was due entirely to the fact that those abroad did not pay Great Britain. It is very important, from the point of view of British credit, to have that thoroughly understood, for when the Moratorium came, and there appeared something like a failure of British credit, it was not a British failure at all. It was because we could not get remittances from other countries.

*British Bills must not be Dishonoured.*

But it was vital to the credit and good name of this country that these bits of paper, which are circulated throughout the globe, with British names upon them—names that have been associated with British trade and commerce—should not be dishonoured. What really happened was that there was a complete cessation of credit, a breakdown of the exchanges. It was exactly as if a shell had broken an arch in an aqueduct, and there

was a cessation of the flow that had been going on before. What we had to do was temporarily to repair the arch so that the flow should continue.

*Paradoxes of the Situation.*

There were most curious paradoxes and absurdities in the position. Take the Argentine Republic. The Argentine Republic owed Great Britain about £400,000,000 in fixed or fluid capital. We were creditors to the extent of £400,000,000. There was the debtor, and yet our credit system had broken down so completely that it did not allow us to buy a single cargo of frozen meat. For the moment we had to make special arrangements for that reason. Take the case of Valparaiso. They had the cash ready, but they could not pay. Why ? Because there was no paper that was available. London paper, for the moment, was out of the market. On an ordinary occasion they would have bought paper on London, but they could not do it in that way, and they would have had to send twenty or thirty thousand sovereigns, or gold, and that was quite impossible. We could neither buy nor sell, although the whole world owed us money. Take the case of the United States of America, which is still more remarkable. America, I suppose, owes us nearly a thousand millions in fixed and floating capital, but we could not buy. It was impossible to do any business. Why ? The exchanges had broken down, this paper machine had crumpled and somehow got out of order, and the result was that no business was possible.

*"To Save British Industry."*

I want my Hon. Friends the Members of the Labour Party to remember that when we were entering upon the consideration of this problem we were not merely considering how we could save a handful of rich people. What we had to consider was this: Supposing this machine had been left crumpled and broken and out of repair for a month, what would have happened ? What did happen ? Mills were closed, factories were shut up, and thousands of people were thrown out

of work. Look at the unemployment chart. Look at what happened in the United States of America in 1907, on the failure of one or two banks. Credit was shaken, hundreds of thousands of people were thrown out of work, and the distress was unutterable. It is really not fair to represent to those who are not capable of studying these complicated matters, or could not understand them three or four months ago, that we were doing something to save a few people, when what we were doing was to save British industry, British commerce, British labour, and British life.

*"A Very Great National Emergency."*

But we had no time. The exchanges had completely broken down. Business had come to an end, and the country that depended more on international trade than any other country in the world found international trade at a standstill. We were completely isolated for the moment as if we had had an alien fleet round our shores, because the exchanges had come to an end, and ships were being kept in harbour. We had, first of all, to consider what to do, and here the Government invited the assistance of men of very great experience in every walk of life and every department. We considered it a very great national emergency, and that the consequences of a false step might be very serious for the trade of this country.

*Moratorium Declared.—Currency Facilities.*

We invited some of the leading manufacturers and bankers of the country, and those concerned with the financial interests of the country, to confer, and we eventually set up a permanent Committee to assist the Government. Acting upon their advice, we decided that something must be done, and done immediately, in order to avert a very serious run on the banks and a general disaster. We declared a Moratorium, a limited Moratorium at first. We then decided that some step should be taken in order to restore the national exchange, and the Government agreed to advance to bankers at the

bank rate Treasury Notes to the extent of 20 per cent. of their deposits, thereby placing a balance at their disposal, a virgin fund to the value of £225,000,000 to be employed in financing any exceptional demands for accommodation in this difficult period. At first the bankers availed themselves of this currency facility to the amount of nearly £13,000,000; I am glad to say that this has been reduced until it is now only £244,000. The mere knowledge of these currency facilities being available gave confidence.

*Discounting of Bills.*

The second step we took was this, to guarantee the due payment of all bills accepted by British houses, and to offer the accepting houses reasonable time in which to collect the debts due to them and meet the bills. The Bank of England was empowered to discount at 2 per cent. over bank rate varying on all such bills of exchange as were customarily discounted by them, and also good trade bills, and the acceptances of such foreign and Colonial firms and agencies as were established in Great Britain. Out of that 7 per cent. 2½ goes to the Government as insurance for any possible loss, 4 per cent. goes to the bank as interest, and ½ per cent. for the part they took in carrying through the transaction. That is the way that has been divided.

*"To Hypothecate the Public Credit."*

We felt that here was Great Britain with four thousand millions of good foreign securities, the greater part of those securities in countries utterly unaffected by the war, and in addition to that, I suppose assets in this country—collieries, land, factories, and harbours, all the property created and developed by the trade and skill and energy of our people—would be worth another thirteen thousand millions. Any estimate therefore of our national assets would be seventeen thousand millions, and we felt that with assets of that amount to allow the credit of this country to be even in doubt for twenty-four hours in respect of £350,000,000, most of it owing

to our own people, if not all, would be a criminal act of negligence on the part of the Government. We decided, therefore, that the time had come to hypothecate the public credit, the credit of the State, in order to restore those exchanges, upon the restoration of which the trade and commerce and the industry of the country was concerned, and all classes of the community, whether they were traders, financiers, workpeople, or artisans, depended for their daily life.

### "*Financial Catastrophe Averted.*"

These then are the three steps that we took. The first was to declare a moratorium; the second was the issue of currency facilities, and the third was to guarantee the due payment of those bills. By these steps the unimpeachable character of the British bill of exchange has been maintained, and a financial catastrophe, possibly the greatest the world had ever seen, has been entirely averted. We had two things to consider: The first was the practical consideration that one week's stoppage of business in this country would have entailed more loss to the country than any conceivable loss from pledging the credit of the State. The second consideration was that it was vital to the good name of this country—because we have to live after the war—that this type of British paper, which has been common currency throughout the world, should not be discredited, and that in the future no one should be able to say, "Don't trust that British paper, because, if you remember, in the year 1914, in a day of crisis, it was dishonoured." We could not have allowed that. If we had done that we should have betrayed our trust as a Government, and I think we should have justified impeachment as a people who in the hour of our country's need had not the courage to stand up for the public credit.

### *Three Considerations.*

Before we brought the Moratorium to an end there were three things we had to consider. The first was the class of people whose business was especially affected by

the war, and practically ruined by the war. They cannot re-establish their business until the war is over. There was a case the other day brought to the notice of the Prime Minister and myself in connection with the fishing trade in Scotland with Norway. Until the war is over that industry cannot be re-established. The next consideration was the restoration of the foreign exchange. There was still trouble in spite of what we had done. And the third thing we had to consider was the position of the Stock Exchange.

*Business Affected by the War.*

With regard to the first—that is, business affected by the war—we thought the best way to meet that was by the passing of the Bill which enacted that no man could put any legal process into operation without first of all seeking the sanction of the Courts; and if the debtor were able to establish the fact that his inability to meet his debts was due to circumstances arising out of the war, then relief was to be given to him during the period of the war and for six months after. I think the fishermen of Scotland will find that that affords complete protection in their case.

*Restoration of the Exchange.*

In spite of our having undertaken the discounting of bills there was still trouble in foreign exchanges: for this reason, as long as the drawers and endorsers of the bills were still held responsible they did not care to undertake any fresh liabilities, and those who were trusting to their credit were a little apprehensive of doing so as long as this huge liability hung over their heads. Foreign banks, foreign drawers, foreign endorsers, and endorsers and drawers and discounters in this country were very chary of incurring fresh liabilities unless other liabilities could be liquidated. We found that was rather interfering with the action of the exchanges, and that they were not being restored as speedily as we hoped.

There were two alternatives before us. The first one was that the State should become an international

banker and should guarantee all British acceptances against produce after the commencement of the war. The difficulty was that there was no machinery. The accepting houses have their representatives and agents in every part of the world, and they know whom they are dealing with, but the Treasury does not, neither does the Bank of England. The Bank of England has not this machinery, but the accepting houses know exactly what is happening in the particular countries where these transactions take place. Therefore even if State credit had been hypothecated, it would have been pledged through the same agencies as before, and we should practically have been in the position of guarantors in respect of those bankers and accepting houses. The next alternative was practically the restoration of the old machinery. You could only do that by releasing the endorsers and the drawers and simply retaining the liability of the acceptors. The moment you did that the endorsers and the drawers were free; there was no further liability and they could undertake fresh business. Legal difficulties might have arisen in retaining the liability of the endorser and the drawer unless the bill was duly presented. By the very nature of the transaction we were postponing payment of these debts until twelve months after the war, and I am not at all sure that by that transaction we were not really releasing foreign endorsers and drawers when you take that into account.

*The Position of the Stock Exchange.*

I now come to the Stock Exchange. What was the difficulty about the Stock Exchange? It was not the character of the transaction, but the fact that there were £70,000,000 or £80,000,000 of securities hypothecated in respect of debts incurred before the war began. If the banks had pressed for these debts what would have happened? The securities would have been placed on the market. Nothing could have been worse for the trade and commerce of this country than that £70,000,000 or £80,000,000 worth of securities should be dumped on the market. The value of those securities would have

been reduced to a perfectly deplorable position, and the Government, who are really the only borrowers in the market at the present time, would have been placed in a position in which it would be impossible to raise money except at incredible rates of interest. We have not merely to consider trade; if the value of securities goes down the whole position of the banks is undermined; all great financial agents are in the same position, and so are the insurance companies, bankers, and traders, who have hypothecated their securities in the bank to carry on their business.

Therefore we were asked whether, if it were guaranteed that these securities would not be put on to the market until twelve months after the war, we would be prepared to advance money for the purpose of enabling some of those who had advanced to carry on until the war was over. There was money advanced by the banks, private institutions, and corporations. Companies, for instance, had advanced money which they would otherwise want for dividends. That is a very easy way of making a short loan and getting a good rate of interest. Out of a total of about £70,000,000 or £80,000,000, £50,000,000 or £60,000,000 has been advanced by the bankers, and only £20,000,000 as against securities by the other firms and institutions and corporations. With reference to the banks, we have said that we would not advance them a single penny, because we have assisted them with bills of exchange and currency facilities. They have to make their own arrangements with the Stock Exchange. But we said that we would advance 60 per cent. of the value of the securities on July 29th against the rest, on the express condition that the banks undertook not to put their securities on the market until twelve months after the war. It was a good bargain for the Government, because without hypothecating a single penny of Government credit we obtained a guarantee that £50,000,000 worth of securities would be withheld until six months after the war, and the market would not be depressed by that amount. For example, settlement day had been regarded with considerable apprehension;

but the mere fact of this being done allayed misgiving on the Stock Exchange. No one knew what was going to happen, and there were all sorts of rumours which might have shaken public credit, but settlement day passed so quietly that it did not interfere with the huge loan which was being put upon the market at the same time. In addition to that there is not a single application for Government credit. I do not say there will not be in the future, but up to the present it has not been necessary for the Government to advance a single £5 note for that purpose.

### *"Good Business for the Taxpayers."*

I think, as a matter of business, it was worth our while to do this because we are practically the greatest borrowers as long as this War lasts, and we must have a market in which we can borrow. This is vital to the war and to the taxpayer. It is vital to us to prevent the market, if I may use the phrase, having the bottom knocked out of it, because borrowing under those conditions would be very disastrous to us. I think what we have done is good business for the taxpayers. We have saved money by it, and we have not up to the present advanced a single penny. It was very important for us that we should have some control over the Stock Exchange during the war, and we made it a condition of coming to their assistance at all that they should not open until they had the sanction of the Treasury, and that they should not open then except on conditions imposed by the Treasury. Under this bargain with the Stock Exchange the Treasury can impose any condition which we regard as essential as to the kind of business they are to do and as to the conditions under which they can transact their business. I think, therefore, that it was a very useful piece of business for us to transact with the Stock Exchange. We incur no risks, but in return get tremendous advantages, which it was absolutely necessary in the public interest that we should consider.

*Liverpool Stock Exchange.*

A further transaction was with regard to the Stock Exchange in Liverpool. We have been able, by a guarantee of the same kind which we were prepared to give to the London Stock Exchange, to open the Cotton Exchange in Liverpool, and not a penny has been asked from the Government in respect of that guarantee. There are a good many traders who have been selling goods to the Continent without any bills of exchange. There was a good deal of business done with Germany, and I think with Russia with no bills of exchange at all. It was just a direct open transaction, the sort of transaction you would have as between one trader in this country and another. What we did with respect to bills of exchange did not cover those cases. Bolton, I believe, has a very large trade with Germany. They sell an enormous quantity of cotton goods to Germany. They have no bills of exchange. They debit their German debtor with the amount, send in their bill, and get their cheque in return. When the war was declared there were hundreds of thousands of pounds, I am not sure it did not reach millions, due from Germany to Bolton. This was a very serious thing for the Bolton mills. I have no doubt the Bolton mills got credit from their banks in respect of that transaction. But when you come to the next transaction you do not get credit unless you raise the money in respect of the first transaction. That is how the machine works, and that was the trouble in this case. They could not get their money, and there was no credit in their banks in consequence. That not only applies to Bolton; it applies also to Bradford very largely, to the border boroughs, and also to other industries as well. I am not sure that it does not apply to the north of Scotland.

The difficulty we were in here was that we were not re-establishing a currency as in the case of bills of exchange. We decided that it would be desirable for us to give assistance to the extent of 50 per cent. of the face value of the debt on the condition that the local banks under-

took 25 per cent. of that. It was suggested that we ought to have made all the advance. The difficulty there was that we knew nothing about these debts; we had no means of ascertaining anything at all about them. We could have set up committees locally, but I do not know what sort of committees we could have had. We could not have had the local chambers of commerce, because they were all more or less involved. We could not have had the banks, because they also were involved. But, if the banks were prepared to undertake 25 per cent. of the liability, that was quite good enough for us. They knew their men; they undoubtedly knew the kind of business they were transacting, and, if they were prepared to advance to that extent, we felt we were perfectly safe in shouldering the rest. That is why we persisted, in spite of some pressure from the banks, upon making them liable for 25 per cent. of the debts before we advanced a penny. Applications have already come in in respect of this transaction to the extent of £16,000. At present they have not been adjudicated upon, but we hope to be able to do something at the earliest possible moment.

"*Still Supreme.*"

I think I have now shown what happened. I have shown what has happened with bills of exchange. Out of £300,000,000 or £400,000,000 or £500,000,000 of bills of exchange which were based upon British credit at the beginning of the war, all the money has been paid, and no foreigner can point to any bill of any established house which has been dishonoured. In future they know that they can conduct business with the assured knowledge that they are safe. That means something which is invaluable to British trade in future. The machinery of exchange has been re-established. I have a letter to-day to say that the condition of things was absolutely satisfactory in the discount market. In spite of this great world war we are still supreme in international trade and commerce. The British money market is in a better position than any other market in the world.

We are conducting a war which is costing us £300,000,000, £400,000,000, or £500,000,000 a year, and still other countries are coming here to borrow from us. The first day the Bank reopened after the outbreak of war, the bullion at the Bank of England was £26,000,000. We have suspended no Bank Acts. We have suspended no payments. We have maintained exactly the same conditions as we did before. The Bank rate, which is always put up to prevent gold leaving the country, was put down to 5 per cent., and the gold in the Bank of England at the present moment amounts to £85,500,000. That is very satisfactory.

*"The Largest Loan in the World's History."*

We had to raise the largest loan ever raised in the history of the world for any purpose. We did it, and the success of the loan is a full justification for the steps we have taken. We had already raised £90,000,000 for the same purpose, so that, practically, we were raising £440,000,000 of money in the same market for the same purpose and under the same conditions. We had just got through the most serious financial crisis that this country had ever seen. A Moratorium in which we protected debtors against their debts, if called upon, had only just come to an end, and, what was still more serious, as anyone knows who has had to deal with transactions of that kind, the machinery which had always played an important part in the system of floating loans—the Stock Exchange—was closed at the time. Those who remember the loans raised during the late war know the part the Stock Exchange takes in helping operations of that kind. I am not referring merely to speculation on the Stock Exchange on any Government issue. I am referring to the purely legitimate part they take. The small investor is not a very ready man. If you tell him he has to make up his mind to apply within a week he does not do it. He only does it through the agency of people who give him expert advice, and the Stock Exchange is useful, because they take what they call large lumps of great loans like this,

and afterwards gradually distribute them amongst their customers. They call their attention to the investment, and they are able in time to thus absorb the whole amount allotted to them, no doubt on terms favourable to themselves, but also equally helpful to those who go in for these loans. The absence of machinery of that kind at this moment was a serious determent. If the Stock Exchange had been open we would have had the loan applied for several times over. They would have made enormous applications, and taken time for distribution of the allotment.

*Patriotism of the Small Investor.*

What was the result of our appeal to the public, and to the great financial interests of the country? We have not merely raised the whole of the loan, but it has been over-subscribed, and the most remarkable thing about it is not merely that the great financial interests came in—and I very gladly acknowledge that they did step in with spirit and give us every assistance—the feature of this loan is the enormous number of small applicants who came forward. On the occasion of the last loan for the Boer War, these small applicants numbered about 21,000. Now, in this case, they number nearly 100,000; and we have been glad to give the first chance of co-operation to the small capitalist. It is undoubtedly a good investment, but the feature of the case is that the small investor has shown his patriotism by the readiness with which he has responded. He has not waited to see how the thing will go on the market. He has just stepped in; and we have been able, not merely to carry this great financial transaction through, but, by the ready response of the small investor, we have raised the biggest sum of money ever raised in any country, without any of the expedients to which Germany had to resort in order to raise a much smaller loan at a higher rate of interest.

*"Confidence Restored."*

In addition to that trade is improving. Unemployment is going down. Confidence has undoubtedly been

restored. British credit has stood the enormous strain placed upon it, and the market has been less affected than any market in the world. I do not know what further stress and strain may be placed upon the resources of this country, but that which it has already resisted, and the way in which it has resisted, fills me with the conviction that British credit is built on solid foundations which no foreseeable contingency can destroy.

## CHAPTER V

### THE RIGHTEOUSNESS OF OUR CAUSE[1]

It is a great wrench for those who during the whole of their lives have been fighting against militarism, to be driven by the irresistible forces of conscience to support a war. I think this is the second meeting I have ever addressed in my life in support of a war. I have addressed scores and hundreds against war and policies that provoke war. I recollect a meeting which I addressed in opposition to a war; but it was not as peaceable a meeting as this, and by no means as unanimous. It was a meeting convened to support exactly the same principle of opposition to the idea that great and powerful empires ought to have the right to use their might to crush small nationalities. We might have been right. We might have been wrong. But the principle that drove me to resist even our own country is the one that has brought me here to-night to support my country.

#### "*The Soul of a Devil.*"

This is a terrible war; it is a horrible war. All wars are horrible. Within the last few days it has been my privilege to meet one of the greatest Generals in the French Army, and to talk to him of his experiences in the war, and what he had witnessed—the carnage, the wear, the terror; and he said to me "The man who is responsible for this war has the soul of a devil." That came from the heart of one of the greatest strategists in the French Army, who has been fighting for three months.

[1] Speech on the War, delivered at the City Temple, on November 10th, 1914.

*Our Voluntary Army.*

The man who is responsible! Who is responsible? Not Great Britain. Britain was only armed for defence. Had we meditated a war of aggression against anybody do you think we should have had to improvise an Army after the war began? We were not equipped for a war of aggression, even against a military Power of the third rank. We were prepared for defence against all the military Powers of the world put together. We had no army for Continental warfare. But we have already raised hundreds of thousands of men who have volunteered for the honour of our native land. It is the greatest voluntary army that the world has ever raised, and in a few months we shall double it. Had this been an aggressive war, we could not have raised one-tenth of that number.

*Britain not Responsible for the War.*

When this War broke out, we were on better terms with Germany than we had been for fifteen years. There was not a man in the Cabinet who thought that war with Germany was a possibility under present conditions. Our relations had improved. There was not a diplomatic cloud over the German Ocean. We harboured no designs against Germany: we meditated no quarrel with Germany: as the Lord liveth, we had engaged in no conspiracy against Germany. We were not envying her her territories; we sought not a yard of her colonies. We are in this war from motives of purest chivalry to defend the weak.

*France and Russia not Responsible.*

Britain is not responsible for this war, and thank God for that. Who is responsible? Not France. There had been a General Election in France just a few months before this war broke out, and the pacifist party gained one of the most conspicuous triumphs ever achieved in any country against the most powerful political combination that had ever federated against it. The Government

of France was essentially a pacifist Government. The French people abhorred the idea of war, and the Government shared to the full that abhorrence. Not France! Not Russia! Why, it is an essential part of the German case that Russia would not be ready for war for three years. That is their boast. That is why they attacked her. Then Russia could not have provoked war.

You can read, and read again, the despatches of our Ambassador at Vienna. The quarrel was ostensibly between Austria and Russia. Sir Edward Grey laboured anxiously for peace; no man could have worked harder than he did for peace; and if there is blood shed, there is not a stain upon Sir Edward Grey. He suggested a European Conference to discuss these matters. Germany said: "Do you not think it would be better for Austria and Russia to talk the matter over amongst themselves? We are only suggesting the best way of settling the dispute." Sir Edward Grey said "Yes; that seems a very sensible idea." Russia and Austria met. They were actually discussing matters amongst themselves, and getting on admirably—so admirably that Germany got alarmed, declared war on Russia, and although the dispute was ostensibly between Russia and Austria, it was only five days *afterwards* that you had war between Russia and Austria, and that was because Germany had already started.

*The Origin of the War.*

Not Russia! Belgium? Or Servia? Does the poor victim of a bird of prey really commence the hostilities?

Now, looking back, you can see what happened. You can see Austria hovering like a hawk over the Balkan fields, and, if you are country bred, you know what that means. You know it will not be long before it swoops down and some poor helpless creature will be quivering in its talons. The vulture has been hanging over Belgium for some time. We know that now. It has made a mistake. It soared so high that even the most discerning falcon might have made a mistake. It thought it was pouncing on a rabbit, and it fell on a hedgehog, and has

been bleeding and sore ever since. We know now what it would have been malevolent to suspect before, that the counsellors of Germany, while professing peace and pretending good will, in cold blood, with malice aforethought, had intended, planned, organised, wholesale murder of peaceable neighbours, and had even arranged the date to suit themselves, a date when they thought their neighbours would be caught unprepared to defend their lives and their homes. If this wanton deed of premeditated treachery against humanity is to pass unchallenged by the nations of the world, then let us admit that civilisation is a failure, that the sceptre of right is broken, and that force—brute force—is once more enthroned amongst the nations.

*Our Part in the War to be Justified.*

It may be said it is not enough to prove that Germany is in the wrong. We have to justify Great Britain in embarking on a gigantic war which will tax to the utmost her resources of material, money, men, and leave her impoverished at the end of the struggle.

We all knew the consequences would be tremendous. For the moment the consequences are incalculable; so much so that we had no right to go into this war without the most overwhelming reasons. The sacrifice of human life is appalling. The suffering it is impossible to estimate. The waste is so prodigious that, viewing it even as I do from day to day, and have done for over three months, it has not ceased to shock. The wealth harvested by years of peace and hard and anxious toil is thrown into the flames of war, to intensify their consuming fury. If anyone says we ought not to have entered into this war without the most overpowering reasons, I am entirely with him.

*The Doctrine of Extreme Pacifists.*

There are men who maintain that war is not justifiable under any conditions. There are men who maintain that even if your house is attacked, if your country is invaded and threatened with oppression, if you had

a second William the Conqueror landing in this island, destroying the Constitution, imposing his own language, his own laws, and his own rule upon this country, ravaging and destroying as he has done in Belgium—there are men who carry their doctrine so far as to say that, even under those conditions, you ought not to use a deadly weapon to defend yourself or your homes or your country. I have great respect for them; but I am afraid that I shall never be able to attain in this world to that altitude of idealism.

But may I just say one or two words about that? It was not the creed of the Puritan Fathers. I maintain it is not the principle of the Christian Faith. That deprecates revenge. It deprecates retaliation. But I never heard a saying of the Master's which would condemn men for striking a blow for right, justice, or the protection of the weak.

*"To Precipitate Ideals is to Retard their Advent."*

And may I also say that to carry those principles too far is just the way to destroy the possibility of their ever becoming realised? To precipitate ideals is to retard their advent.

We are all looking forward to the time when swords shall be beaten into ploughshares and spears into pruning hooks, and nation shall not rise up against nation, and there shall be no more war. But as long as there are nations and empires that beat ploughshares into swords, and pruning hooks into spears in order to prey upon nations of ploughers and pruners living alongside them, to disarm would be to delay the period that we are all praying for.

The surest method of establishing the reign of peace on earth is by making the way of the transgressor of the peace of nations too hard for the rulers of men to tread.

*Defending a Neighbour from a Bully.*

Most men—every real man—would defend his own home, his own life and liberty, and the life, liberty, and

the honour of those who have been committed to his care. Yes; but supposing that man saw a poor little neighbour, a neighbour he had sworn to protect, and whose home was broken into by a hulking bully, who robbed him of his goods, attacked him, his wife, and his children, burnt, murdered, and maimed—I ask you what manner of man would he be who looked on calmly without rushing in to help him with any weapon at his hand? It would be a piece of heartless poltroonery. Britain has never been guilty of that.

*Germany's Demand on Belgium.*

Why was Belgium so maltreated? What is her offence? She had refused to allow Germany to march through her territories to attack a good neighbour of Belgium's. France and Belgium were very good neighbours. They are kinsmen in race and religion, and to a large extent in language; and France was fully shielded and protected on every frontier except that which faced Belgium. Germany's demand was a demand put forward in defiance of a Treaty obligation with Belgium, to give facilities to Germany to drive a dagger into the heart of her good neighbour France through her unprotected side. A meaner, shabbier, more cowardly request was never addressed to anyone.

Belgium was to be nominally neutral. But Belgian roads, Belgian rivers, and railways were to take sides; and in modern warfare railways are more formidable weapons than rifles. That was the demand. It is as if a man came to you and said: "I want to kill your next-door neighbour, but it is very difficult to get in at his front door, and his back door is barred and bolted, or rather the back door is bolted, and there is a very formidable policeman patrolling the front door. It would take us too long to beat down those bars and bolts, and we want to get at him before he is ready to defend himself. I have been making ready to attack; he has not been making ready to defend; I want to take advantage of that, and you must help me. It is a small request. Surely you will see it is reasonable!

All I want is that you should allow me to get at him through your garden. I will see all the damage is repaired. I will restore the garden to you exactly as I found it. I will compensate you for any injury done to the flower beds, and if any of your children happen to be killed or injured in the scuffle, well, I will pay you a handsome compensation for that."

*A Parallel Case.*

That is Germany's proposal to Belgium. Can you conceive a more degrading suggestion, a more insulting one, to be addressed to any nation ? I ask any German apologist—not here, because I do not think there are any—either in this or in any other land, whether Belgium, if she had acceded to that request, would not have covered herself with eternal shame ? Supposing Russia had gone to Germany and said : "I have a quarrel with Austria, but I cannot very well get at her through Galicia ; there is a very formidable fortress there which I can take but cannot pronounce "—I observe that you know that fortress at least by sight—" and then there are the Carpathians. I cannot get at her. Would you mind allowing our forces to march through Silesia ? Austria is not expecting us that way. She has no mountains there ; she has no fortresses there ; she depends upon your word of honour that you will not lend your territory to her foes to attack her. But still that is only a scrap of paper ! Let us go through. We will restore Silesia to you when it is over. We will compensate you for all loss." What would Germany have said to that ? She would have said exactly what Belgium said to Germany.

*The Agony of Belgium.*

Belgium has refused to bring that dishonour on her national reputation. She has preferred to face the prospect of national annihilation ; and every decent man and woman throughout the civilised world will applaud the nobility of her action. We know what she is enduring at this present moment. It is too pitiful a story to relate.

We are witnessing the agony of a brave little people suffering for the right. Their cities and their villages are destroyed, their population scattered.

A Belgian statesman told me that there were three times as many old people, women, and children destroyed in Belgium as there were soldiers fallen in her gallant army. They have paid ransom to Germany. They have given their goods to Germany; but that has not saved them.

You will remember when Alaric the Goth went to Rome, and when he was about to take it, a deputation of the besieged citizens visited him. He put his demands very high, and they said to him, "If such, O King, are your demands, what do you intend to leave us?" The haughty barbarian replied, "Your lives." He was a better man than his cultured successor. Three times as many helpless people slaughtered by this great cultured empire! They have robbed them of their food to maintain their armies. They are now sending begging to America, saying, "You feed them." It was not America that devastated their lands!

There are multitudes dying of hunger there, under the banner of this great proud empire. I wish this were all. I cannot repeat all the authenticated stories that are told of German rule in Belgium. I wish they were not true for the honour of civilisation, for the honour of humanity.

*The Judgment of Cromwell.*

Cromwell once said: "There is some contentment in the hand by which a man falls. It is some satisfaction, if a Commonwealth must fall, that it perish by men, and not by the hand of persons differing little from beasts." That is Cromwell's judgment on the devastation of Belgium, and on this savagery perpetrated on a harmless little country by its big neighbour, who had solemnly passed her word to protect it. There must be a revised version of one passage of the Scriptures in Belgium. It must be revised for Belgian use and read: "Who is thy neighbour? Thy neighbour is he who falls on thee like

a thief, strips thee and wounds thee, and leaves thee half dead." That is Germany's version of duty to a neighbour. If Britain, after passing her word, had left that little country bleeding on the roadside, without attempting to rescue her, the infamy of Germany would have been shared by the British Empire.

*Turkey's Entrance into the War.*

But now we have been assailed by another national exponent of the higher culture—Turkey. I notice the same characteristics, even in the very way in which the war has been brought about. There is the same contempt for the elements, for the decencies, of international law. Harmless, defenceless towns are bombarded without any notice. We did our best to avoid the quarrel, but I cannot pretend that I am sorry this has happened. No one could have shown more patience in the face of insults and injuries that I could retail to you by the hour than Great Britain did, in face of the treatment which was accorded to us by this miserable, wretched, contemptible empire in the Bosphorus. It filled us with disdain and scorn that we should have to endure, even for a day, the insults of the Turk. But the quarrel has been taken out of our hands. We were in the hands of fate, and the hour has struck on the great clock of destiny for settling accounts with the Turk. I am not speaking of him as an enemy of Christendom. There is no more futile method of settling the conflicts of creed than a war. We are not fighting Mahomedanism, but the Turk. A very distinguished Mahomedan, who is very loyal to the British Empire, said to me the other day, "After all, the British Empire is the greatest Mahomedan Empire in the world." The Ottoman Empire is just a second-rate Mahomedan Empire, although it gives itself the airs of leadership of the whole Mahomedan world. Why, the Turk is the greatest enemy of his own faith, because he has discrdited it by misgovernment. What has he in common with the cultured Mahomedan in India? In the loftier regions of thought, the Indian Mahomedan holds an honoured rank. The Arabs brought a civilisa-

tion of their own which has enriched Europe to this day. What have the Turks ever contributed either to culture, to art, or to any aspect of human progress that you can think of? They are a human cancer, a creeping agony in the flesh of the lands which they misgovern, rotting every fibre of life. They have ruled over most of the countries which are the cradle of civilisation; these lands were once the most fruitful and the most abundant of the world; they were the granaries of the East and of the West alike. In turn, they have been governed by Assyrians, Babylonians, Persians, Greeks, and Romans—all tyrants; but they left these countries prosperous and luxuriant. What about the Turk? He comes to these plenteous lands, and the tread of his blood-stained sandal scorches and withers life and fertility in whole territories. Every grain in thousands of square miles is shrivelled up. The sight of this Gorgon has turned bounteous plains and fields into stony deserts. The people he has subjected to his rule have for centuries been the victims of his indolence, incompetence, and lust, and now—now that the great day of reckoning has come upon the nations—I am glad that the Turk is to be called to a final account for his long record of infamy against humanity.

*Germany and Turkey fit Comrades.*

In this gigantic battle between right and wrong, it is meet that the Turks should march into action shoulder to shoulder with the devastators of Belgium. They have made themselves fit comrades—the ravagers of Armenia and the desolators of Flanders—the Turk of the East and the Turk of the West—both ruthless military empires with only one god, and that is violence. Their downfall will bring gladness, security, and peace to a world which has for generations been oppressed and darkened by their grim presence.

*Providing for the War: Sacrifice of Wealth.*

This great war involves tremendous exertions and immense sacrifices—sacrifices of wealth, with all that that

means. You cannot go into a war like this without enormous strain upon the resources of this country, . this war is expensive beyond any war that has ever b conceived. I shall have to present the bill either week or next week, and I am sure, although you wil appalled, you will not quail. There is this satisfact we can afford it better than the best of our foes. It me renunciations and self-denial; but when men are gi their lives freely, it is but a poor one who would gru any part of his riches for the motherland which nurtured us all.

*Sacrifice of Lives. The Need for Men.*

But above all we need men, and the more n come forward quickly the sooner will the war be o Apart from the fact that you can put more men i the field, the mere fact that Great Britain had, two millions of men who could be put into field after a few months' training would in itself an element at the right moment in bringing al peace. Those who are declining to place their ser at the disposal of their country are prolonging t country's agony. The more men that come in, the i it ensures victory and hastens peace. Recognition o justice of the war is not enough. It is not even the b ning of service in the conduct of the war; it is on foundation for service. There are far too many men are quite prepared to vote for a war to uphold the nati honour of this country, but who are content to others, and the children of others, to face the peri that war. There are honest pacifists who disapp of all war, and who are prepared to endure the contun the scorn, the anger, and the fury of their neighb for their feelings. Those I respect. But those approve of the war and think it is the duty of othe make all the necessary sacrifices to bring it to a triumpl end—those men I must crave leave to despise. others give up their sons of whom they are proud fond. Why should they surrender the children of t heart to perish for their country's sake? The pa

who present such a standard of duty to their children, and teach them at the start of life the lesson of duty shirked, are traitors to their most sacred trust—traitors to their country; yea, and traitors to their children.

"*Your Lives upon the Altar of your Country.*"

As to the young and vigorous, I have a word to say to them. A few of them are asking why they should be called upon to place their lives upon the altar of their country. Are there not plenty of young men available who are eager to do so, without dragging their precious lives into the zone of danger? Yes, there are, thank God. It is only a minority of people who are cowards. All the same, unless the men and women of this country are prepared to tender all they possess and all they can command to help their land in this most fateful hour of its destiny, then Britain is indeed doomed, for she will stand alone in the world—alone as the only land whose children are not prepared to sacrifice themselves for her honour. I should despair of my country if I thought that were true. Frenchmen are willingly, gladly, and ardently rushing forward to give all they own for the land whose glory is dearer to them than life. Let us be fair: Germans are doing it, and if the sons of Germany with such a cause can do it, cannot Britain, fighting one of the most chivalrous battles the world has ever seen, rely upon her children to rally to her honoured flag?

. . . . "*After that the Judgment.*"

I hope that within the next few days there will be a call for another large contingent of men. I should like to see each county called upon for its quota—that every town, every city, and every area should know what is expected of it. All our rights and our liberties have been won by men who counted their lives as nothing so long as their country and their faith were free. In the days when we were winning the battles of religious freedom in this country, there were shirkers, but their cowardice did not save them from the tomb. It is

appointed that men should die once, and after the judgment. Brave men die, but they need not the judgment. I think we are too ready to scc creeds which promise the glories of their paradis those who die for the cause or for the country they devoted to. It is but a crude expression of a ' which is the foundation of every great faith, that sac is ever the surest road to redemption.

It is appointed that cowards shall die, but after the judgment. They fall into the unhonoured ; of the men who have never given up anything v is precious to them to their country, their religic their kind. After that the judgment!

*"An Old Welsh Legend."*

This is a call to the manhood of our people, a call to the manhood of our people for one of greatest issues that have been fought on any stri field. We are making progress; you can see it. I was r ing the other day an old Welsh legend about an e which a man in the course of his travels came a in a lonely valley. The eagle was perched on a s and he said to the traveller, "Do you see this st When I first came here, this stone was so high a mou· that every night I could peck at the stars. Now hardly a span above the earth." The German was once so high that he pecked at the stars. I' not yet quite on the earth, but he is getting nea

*Germany's Slander against Destiny.*

I am not deprecating military preparations wl attack militarism. Until there is a more com understanding amongst nations, every country t be prepared to defend its own rights, interests, liberties. I have been responsible for finding la sums of money for the defence of this country t any of my predecessors, and handsomely have I l abused for it; but I have no doubt that I thou from time to time that economy was quite compat

with efficiency. I am not deprecating for a moment a country preparing itself years in advance to defend its rights; but there is a school of military thought, of which Germany is the centre, which maintains that in sanguinary disputes between nations, preparation for war is the only thing that counts, and that the rights and wrongs of the dispute are a matter of insignificance.

That is the basis upon which Germany calculated when she invaded Belgium. She was wrong. She thought the military efficiency of the plans was everything, and that the righteousness of its details was nothing. It is essential in the interests of the moral good government of the world for the future that that slander against destiny should be nailed once and for all to the counter.

### *Justice the Greatest Military Asset.*

The fundamental error of the German calculations is becoming more and more manifest every day. They are beginning to realise that justice is the greatest of all military assets. The wrongful invasion of Belgium —they admitted it was wrong—the trampling on the rights of a small nationality, has become a military weakness to them. That is manifest now, and it is becoming more manifest day by day.

In a long struggle it is the heart that tells, and injustice weakens the heart of nations. They cannot endure; and this country has demonstrated—and the war will be waged in vain if it does not demonstrate it even more clearly—that the justice of a nation's cause is in itself a military equipment of the first magnitude and importance.

### *"The Golden Morrow is at Hand."*

Sometimes when I read the reports I feel perplexed and baffled. I see accounts of advances here and retirements there—of victories in this spot and mishaps in another. But through it all, I think I can see the hand of justice gradually, slowly, but certainly grasping the victory.

"Watchman, what of the night?" It is dark, and the cries of rage and anguish rend the air, but the golden morrow is at hand, when the valiant youth of Britain will return from the stricken fields of Europe, where their heroism has proclaimed to the world that justice is the best sustenance for valour, and that their valour has won a lasting triumph for justice.

## CHAPTER VI

### THE MARK OF THE RED CROSS [1]

WHAT a Christmas Nations with an aggregate population of nearly a thousand millions are locked in deadly strife. Seventeen million men are under arms engaged in the ghastly strategy of human slaughter. In four months' warfare 2,500,000 men have fallen on the battlefields of Europe. The world has never witnessed such a Christmastide. It is over nineteen hundred years since the message of peace on earth and goodwill amongst men was proclaimed under the stars by the angelic host to the shepherds of Bethlehem. And is it all to end in this? Those who mock at our faith point with derision to this hideous welter of blood as a proof of the failure of the Christian message. Those who still believe dwell on it as a proof of the difficulty with which Divine ideals penetrate into the heart of man. They are both wrong. Those who read aright the story of this war can see even amidst its horrors signs that the more humane and sane doctrines of the Christian Gospel have established a permanent foothold in one corner of the human mind. The rest will in the end follow.

When did a heathen empire embark on a great war impelled by such purely chivalrous motives as those which have driven Britain and her dominions into this war? It is part of the German policy to represent our interference as a calculated move of selfish craft to capture the trade and shipping of a dangerous rival,

[1] Article in the *Methodist Times*, December 17, 1914.

and to annex colonies whose prosperity had excited our greed. No one who knows the attitude of Great Britain in the week that preceded the war could possibly believe these malevolent suggestions. On the Saturday after war had actually been declared on the Continent a poll of the electors of Great Britain would have shown 95 per cent. against embroiling this country in hostilities. Powerful City financiers, whom it was my duty to interview on this Saturday on the financial situation, ended the conference with an earnest hope that Britain would "keep out of it." A poll on the following Tuesday would have resulted in a vote of 99 per cent. in favour of war; and the City interests which knew that our participation in a great European war would mean heavy loss, and might bring ruin on them, and were therefore, on Saturday, unanimously opposed to war, by Tuesday were quite as unanimously in favour of it. What had happened in the meantime? The Colonies were there on Saturday; so was the trade and the shipping and the commerce: all the selfish inducements were quite as present and potent on Saturday as they were on Tuesday. The revolution in public sentiment was attributable entirely to an attack made by Germany on a small and unprotected country which had done her no wrong; and what Britain was not prepared to do for interests political and commercial she readily risked to help the weak and the helpless. Hardheaded financiers and business men swept aside the prospect of personal loss and even ruin. The pagan world can produce no precedent for such a national upheaval of compassion.

*The Christian Gospel in the Terrain of the Human Heart.*

The incident has but one meaning, and it is worth emphasising it now when we are too apt to dwell on the mere savagery of this war. The Christian Gospel has effected a secure lodgment in the terrain of the human heart.

One more hopeful symptom is the anger roused throughout Christendom by the stories told of German atrocities

in Belgium. The pagan world would have regarded these outrages with contempt for their inadequacy. In the days of Christ the sacking of Louvain and Termonde and Dinant would have been regarded as the inevitable incidents of any war. There is a description given by the humane Caesar of the storming of Avaricum, when his troops " spared not the aged, nor women, nor children. Of the entire garrison, numbering about 40,000 a bare eight hundred, who had fled precipitately from the town on hearing the first outcry, escaped unhurt." And Vercingetorix, in addressing his men, assumed that if they were beaten their wives and children would be carried off by Caesar into slavery, while they themselves would be put to death. Those who were spared were only spared for servitude and degradation.

These were the accompaniments of civilised warfare before the advent of Christ. The German outrages were appalling; but the fact that matters is that they have appalled. So much so, that even the German military authorities, insolent and insensitive as they are, have clearly been frightened out of their course of brutality, and have within the last few weeks moderated the impulses of their natural ferocity.

### *A Symbol of Hope.*

The treatment of the wounded on both sides is also a symbol of advancement and of hope. In the pre-Christian era there was no thought given to those who fell on the battlefield. The wounded of the vanquished were better off than those of the conquerors, for their sufferings were soon at an end. The lust of combat and of hate drowned all the appeals of humanity, and men feasted within sight of a battlefield where their comrades were slowly dying in agony. A casualty list in the old days had no place for the wounded, except for those who could take care of themselves. In these days fully seven-eighths of those who fall have their wounds cared for, and in most cases cured. And therein there is no distinction between the attitude of friend and foe. The fallen have no nationality. Where has this

new humanity come from ? Paganism neither practised nor taught it.

I recently visited one of the battlefields of France. I saw a village being shelled by the German guns. A prisoner of war was just being brought into the French lines. He was in a motor-car under guard. He was wounded and looked ill and in pain. A French General with whom I had gone to the front went up to the wounded Prussian and told him that he need not worry ; he would be taken straight to the hospital and be looked after as if he were " one of our own men." The Prussian replied : " We treat your wounded in exactly the same way."

*Marked with a great Red Cross.*

It was a curious rivalry under these conditions ; for you could hear the whizzle of the German shells and the shuddering crack with which they exploded, dealing out death and destruction in the French trenches close by. We were in sight of a powerful French battery which was preparing to send its deadly messengers into the Prussian ranks a little further on. I marvelled that this exhibition of goodwill amongst men who were sworn foes should be possible amid such surroundings, until my eyes happened to wander down a lane, where I saw a long row of wagons each marked with a great red cross. Then I knew who had taught these brave men the lesson of humanity that will gradually, surely, overthrow the reign of hate. Christ had not died in vain.

# CHAPTER VII

## THE PARIS CONFERENCE [1]

THIS is the most expensive war that has ever been waged—in material, in men, and in money. The Conference in Paris was mostly concerned with money. For the year ending December 31st next the aggregate expenditure of the Allies will not be far from £2,000,000,000. The British Empire will be spending considerably more than either of our two great Allies—probably up to £100,000,000 to £150,000,000 more than the highest figure spent by the other two great Allies. We have to create a New Army, we have to maintain a huge Navy, we are paying liberal separation allowances, we have to bring troops from the ends of the earth, we have to wage war not merely in Europe, but in Asia, in North, East, and South Africa.

### *Finance of Britain and France.*

I must say a few words as to the relative positions of the three great countries which led us to make the arrangements which we recommend to our respective Governments on financial matters. Britain and France are two of the richest countries in the world; in fact, they are the great bankers of the world. We could pay for our huge expenditure on the war for five years, allowing a substantial sum for depreciation, out of the proceeds of

[1] Speech delivered in the House of Commons, February 15th, 1915, on the financial arrangements between Great Britain, France, and Russia: being the result of a Conference held at Paris between the Finance Ministers of the three countries.

our investments abroad. France could carry on the war for two or three years at least out of the proceeds of her investments abroad, and both countries would still have something to spare to advance to her Allies. This is a most important consideration, for at the present moment the Allies are fighting the whole of the mobilised strength of Germany with, perhaps, less than one-third of their own strength. The problem of the war to the Allies is to bring the remaining two-thirds of their resources and strength into the fighting line at the earliest possible moment, and this is largely, though certainly by no means entirely, a question of finance.

### *France's Special Difficulties.*

France has special difficulties. I am not sure that we quite realise the strain put upon that gallant country up to the present moment. For the moment she bears far and away the greatest strain of the war in proportion to her resources. She has the largest proportion of her men under arms. The enemy are in occupation of part of her richest territory; they are within fifty-five miles of her capital—exactly as if we had a huge German army at Oxford. It is only a few months since the bankers of Paris could hear the sound of the enemy's guns from their counting-houses, and some of them can hear the same sound now from their country houses. Under these circumstances the money markets of the country are not at their very best.

### *"Serene Confidence."*

That has been one of the difficulties with which France has been confronted in raising huge sums of money to carry on the war and helping to finance the Allied States. There is a wonderful confidence, notwithstanding these facts, possessing the whole nation. Nothing strikes the visitor to Paris more than that. There is a calm and serene confidence, which is supposed to be incompatible with the temperament of the Celt by those who do not know him. There is a general assurance that the Germans have lost their tide, and that now the German Armies

have as remote a chance of crushing France as they have of over-running the Planet Mars. That is the feeling which pervades every class of the community, and it is reflected in the money markets there. The difficulties of France in that respect are passing away, and the arrangement that has now been made in France for the purpose of raising sums of money to promote military purposes, I have not the faintest doubt, will be crowned with the completest success.

*Russia's Resources.*

Russia is in a different position from either Britain or France. She is a prodigiously rich country in natural resources: food, raw material—she produces practically every commodity. She has a great and growing population, a virile and an industrious people; her resources are overflowing, and she has labour to develop them in abundance. By a stroke of the pen Russia has, since the war began, enormously increased her resources by suppressing the sale of all alcoholic liquors. It can hardly be realised that by that means alone she has increased the productivity of her labour by something between 30 and 50 per cent. It is just as if she had added millions of labourers to the labour reserve of Russia, without even increasing the expense of maintaining them. And whatever the devastation of the country may be, Russia has more than anticipated the wastage by that great act of national heroism and sacrifice. The great difficulty with Russia is that, although she has great national resources, she has not yet been able to command the capital within her own dominions to develop those resources even during times of peace. In times of war she has additional difficulties. She cannot sell her commodities for several reasons; one is that a good deal of what she depends upon for raising capital abroad would be absorbed by the exigencies of the war in her own country. Beyond that, the yield of her minerals will not be quite as great, because the labour has been absorbed in her armies. There is not the same access to her markets. She has difficulty in exporting her goods, and, in addition

to that, her purchases abroad are enormously increased in consequence of the war. Russia, therefore, has special difficulties in the matter of financing outside purchases for the war.

*The Smaller States.*

There are also a number of small States, which are compelled to look to the greater countries in the Alliance for financial support. There is Belgium, which until recently was a very rich country, devastated, desolate, almost entirely in the hands of the enemy, with an Army and a civil government to maintain, but with no revenue. We have to see that she does not suffer until the period of restoration and compensation comes to her. There is Servia, with the population of Ireland, a people of peasants maintaining an Army of 300,000, and fighting her third great war within two years, fighting it with great resource and courage and bravery, but with no reserves of wealth. She has now no exports with which she can purchase munitions of war outside, and she has hardly any manufactures of her own. That is the position as far as the small States are concerned. There are also other States preparing for war, and it is obviously our interest that they should be well equipped for their task. They can only borrow in the French and English markets.

*Our Own Difficulties.*

We have our own special difficulties, and I think I ought to mention those. Two-thirds of our food supplies are purchased from abroad. Enormous quantities of raw material for our manufactures and our industries are largely absorbed in war equipment and our ships in war transport. We cannot pay, as usual, in exports and freights and services, and our savings for the moment are not what they would be in time of peace. We cannot therefore pay for our imports in that way. We can purchase abroad and we have increased our purchases abroad for war purposes, and in addition to that we have to create enormous credits to enable other countries to

do the same thing. The balance is therefore heavily against us for the first time. There is no danger; but in a conference of the kind we had in Paris, I could not overlook the fact that it was necessary for us to exercise great vigilance in regard to our gold. These were the complex problems we had to discuss and adjust, and we had to determine how we could most effectually mobilise the financial resources of the Allies so as to be of the greatest help to the common cause.

### "*Into the Common Stock.*"

For the moment, undoubtedly, ours is still the best market in the world. An Alliance in a great war, to be effective, means that each country must bring all its resources, whatever they are, into the common stock. An Alliance of war cannot be conducted on limited liability principles. If one country in the Alliance has more trained and armed men ready with guns, rifles and munitions than another allied country can command, she must bring them all up against the common enemy without regard to the fact that the others cannot for the moment make a similar contribution. It is equally true that the same principle applies to a country with a larger navy, or the country with greater resources of capital and credit—they must be made available to the utmost for the purposes of the Alliance whether the other countries are in the position to make a contribution or not. That is the principle upon which the conference of Paris determined to recommend to their respective Governments a mobilisation of our financial resources for the war.

### *A Joint Loan?*

The first practical suggestion we had to consider was a suggestion that has been debated very considerably in the Press, the suggestion of a joint loan. We discussed that very fully, and we came to the conclusion that it was the very worst way of utilising our resources. It would have frightened every Bourse and attracted none; it would have made the worst of every national

credit and the best of none. Would the int
have been the interest at which we could rai
or the rate at which France or Russia could rais
If we paid the high rate of interest we could r
any more money at a low rate. If, instead
£350,000,000 a few weeks ago for our own
we had floated a great joint loan of £1,0(
the House could very well imagine what the re
have been. We decided, after a good deal of
and reflection, that each country should raise money for its own needs within its own markets in so far as its conditions allowed, but that if help were needed by any country for outside purchases, then those who could best afford to render assistance for the time being should do so. There was only one exception which we decided to recommend, and that was in the case of borrowing by small States. We decided that each of the three great allied countries should contribute proportionately to every loan made to the smaller States who were either in with us now or prepared to come in later on, that the responsibility should be divided between the three countries, and that at an opportune moment a joint loan should be floated to cover the advances either already made or to be made to those countries outside the three great allied countries. That was the only exception we made in respect of the joint loan.

Up to the present very considerable advances have been made by Russia, France and ourselves to other countries. It is proposed if there is an opportune moment in the market that these should be consolidated at some time or other, and that they should be placed in one loan upon the markets of Russia, France and Great Britain, and that the liability should be divided into three parts.

*Advances to Russia.*

With regard to Russia we have already advanced her £32,000,000 for purchases here and elsewhere outside the Russian Empire. Russia also shipped £8,000,000 of gold to this country, so that we have established

his country for Russia to the extent
00 as against the £8,000,000 of gold already
his country. France has also made advances
of purchases in that country, and Russia
hat she will still require to establish con-
edits for purchases made outside her own
ween now and the end of the year. I am
the moment that it would be desirable for
he exact figures. I think it would be better
not to so because it would give an idea to the enemy
of the extent to which purchases have to be made by
Russia outside. But for that purpose she must borrow.
The amount of her borrowing depends upon what Russia
can spare of her produce to sell in outside markets and
also on the access to those markets. If Russia is able,
within the course of the next few weeks or few months,
to export a considerable quantity of her grain—as I
hope she will be and as in fact we have made arrange-
ments that she should—then there will not be the same
need to borrow for purchases either in this country
or outside, because she can do her own financing to
that extent. The two Governments decided to raise
the first 50,000,000 in equal sums on the French and
British markets respectively. That will satisfy Russian
requirements for a very considerable time.

Within the last few days Treasury Bills to the extent
of £10,000,000 on the credit of Russia have been issued.
At 12 o'clock to-day the list closed. This country is
not quite as accustomed to Russian securities as France,
and, therefore, it was an experiment, but the House
will be very glad to hear that the amount was not merely
subscribed but over-subscribed by the market. I think
it is a very good omen for our relations, not merely during
the war but for our relations with Russia after the war,
that the first great loan of that kind on Russian credit
in the market has been such a complete success.

*The Gold Reserve.*

We have to consider the position of this country
with regard to the possibility of our gold flitting in the

event of very great credits being establis
country. The position of the three great alli
as to gold is exceptionally strong. Russia
have accumulated great reserves, which
barely touched so far during the war. I d
the French reserve has been touched at all,
used in the slightest degree, and I think as
Russian reserve is concerned it has only be
by the transfer of £8,000,000 of gold from Ru this
country.

Our accumulation of gold is larger than it has ever been in the history of this country. It has increased enormously since the commencement of the War. It is not nearly as large as that of Russia, France or Germany, but it must be borne in mind that there is this distinction in our favour: Up to the present we have had no considerable paper currency, and this is the great free market for the gold of the world. The quantity imported every year of raw gold comes to something like £50,000,000. The collapse of the rebellion in South Africa assures us of large and steady supplies from that country, and therefore there is no real need for any apprehension.

### "*To Husband our Gold.*"

Still it would not have been prudent for us to have overlooked certain possibilities. I have already pointed out some of them—the diminution of exports, the increase of our imports, the absorption of our transports for war purposes, large credits established for our own and other countries, and a diminution in our savings for investments abroad. There is just the possibility that this might have the effect of inducing the export of gold to other countries. We have to husband our gold and be careful lest it should take wings and swarm to any other hive. We therefore made arrangements at this Conference whereby, if our stock of gold were to diminish beyond a certain point, the banks of France and Russia should come to our assistance.

*Further Arrangements.*

We have made arrangements whereby France should have access to our markets for Treasury Bills issued in francs. We have also initiated a scheme which we hope will help to restore the exchanges in respect of bills held in this country against Russian merchants, who, owing to the present difficulties of exchange, cannot discharge their liabilities in this country. They are quite ready and eager to pay, they have the money to pay, but owing to difficulties of exchange they cannot pay bills owing to this country. We therefore propose to accept Russian Treasury Bills against these Bills of Exchange due from Russian merchants, Russia collecting the debts in roubles in her own country and giving us the Treasury Bills in exchange. We hope that will assist very materially in the working of the exchanges. It will be very useful and helpful to business between the two countries, and incidentally it will be very helpful to Russia herself in raising money in her own country for the purpose of financing the war. We received an undertaking from the Russian Government in return for these advances which we were prepared to make, that Russia would facilitate the export of Russian produce of every kind that may be required by the allied countries. This, I believe, will be one of the most fruitful parts of the arrangements entered into.

*Purchases in Neutral Countries.*

An arrangement has also been made concerning purchases by the allied countries in neutral countries. There was a good deal of confusion. We were all buying in practically the same countries. We were buying against each other. We were putting up prices. It ended not merely in confusion, but I am afraid in a good deal of extravagance, because we were increasing prices against each other. It was very necessary that there should be some working arrangement that would eliminate this element of competition and enable us to co-ordinate these orders. There will be less delay, there will be much

more efficiency, and we shall avoid a good deal of the extravagance which was inevitable owing to the competition between the three countries.

"*A Few Hours of Businesslike Discussion.*"

I have done my best to summarise, very briefly, the arrangements which have been entered into, and I would only like to say this, in conclusion. After six months of negotiation by cable and three days of conferring face to face we realised that better results were achieved by means of a few hours of businesslike discussion by men anxious to come to a workable arrangement than by reams of correspondence. Misconceptions and misunderstandings were cleared away in a second which otherwise might take weeks to ferment into mischief, and it was our conclusion that these conferences might with profit to the cause of the Allies be extended to other spheres of co-operation.

## CHAPTER VIII

### A HOLY WAR [1]

BEFORE I decided to come down here, I met one of the most eminent Scottish divines, a great and old friend of mine, Dr. Whyte, of Edinburgh. We were discussing what I have to say to-day. I remarked to him, "I have only one day on which to say it, and as that is Sunday I am very much afraid my constituents won't listen to me." He replied, "If they won't have you, come to Scotland, and we will give you the best Sunday afternoon meetings you ever had." But I thought I would try Wales first. He told me that in the Shorter Catechism you are allowed to do works of charity and necessity on the Sabbath, and those who tell me that this is not work of necessity do not know the need, the dire need, of their country at this hour. At this moment there are Welshmen in the trenches of France facing cannon and death; the hammering of forges to-day is ringing down the church bells from one end of Europe to the other. When I know these things are going on now on Sunday as well as on week-days I am not the hypocrite to say, "I will save my own soul by not talking about them on Sundays."

#### *Do We Realise?*

Do we understand the necessity? Do we realise it? Belgium, once comfortably well-to-do, is now waste and weeping, and her children are living on the bread of charity sent them by neighbours far and near. And

[1] Speech delivered at Bangor on Sunday, February 28th, 1915, on the situation.

France! The German army, like a wild beast, has fastened its claws deep into her soil, and every effort to drag them out rends and tears the living flesh of that beautiful land. The beast of prey has not leapt to our shores—not a hair of Britain's head has been touched by him. Why? Because of the vigilant watchdog that patrols the deep for us; and that is my complaint against the British Navy. It does not enable us to realise that Britain at the present moment is waging the most serious war it has ever been engaged in. We do not understand it. A few weeks ago I visited France. We had a conference of the Ministers of Finance of Russia, France, and Great Britain. Paris is a changed city. Her gaiety, her vivacity are gone. You can see in the faces of every man there, and of every woman, that they know their country is in the grip of grim tragedy. They are resolved to overcome it, confident that they will overcome it, but only through a long agony.

"*Conducting a War as if there were no War.*"

No visitor to our shores would realise that we are engaged in exactly the same conflict, and that on the stricken fields of the Continent, and along the broads and the narrows of the seas that encircle our islands, is now being determined, not merely the fate of the British Empire, but the destiny of the human race for generations to come. We are conducting a war as if there was no war. I have never been doubtful about the result of the war, and I will give you my reasons by and by. Nor have I been doubtful, I am sorry to say, about the length of the war and its seriousness. In all wars nations are apt to minimise their dangers and the duration. Men, after all, see the power of their own country; they cannot visualise the power of the enemy. I have been accounted as a pessimist among my friends in thinking the war would not be over before Christmas. I have always been convinced that the result is inevitably a triumph for this country. I have also been convinced that that result will not

be secured without a prolonged struggle. I will tell you why. I shall do so not in order to indulge in vain and idle surmises as to the duration of the war, but in order to bring home to my countrymen what they are confronted with, so as to ensure that they will leave nothing which is at their command undone in order, not merely to secure a triumph, but to secure it at the speediest possible moment. It is in their power to do so. It is also in their power, by neglect, by sloth, by heedlessness, to prolong their country's agony, and maybe to endanger at least the completeness of its triumphs. This is what I have come to talk to you about this afternoon, for it is a work of urgent necessity in the cause of human freedom, and I make no apology for discussing on a Sunday the best means of ensuring human liberty.

*Why We Must Win.*

I will give you first of all my reasons for coming to the conclusion that after this struggle victory must wait on our banners if we utilise our resources and opportunities properly. The natural resources of the Allied countries are overwhelmingly greater than those of their enemies. In the men capable of bearing arms, in the financial and economic resources of these countries, in their accessibility to the markets of the world through the command of the sea for the purpose of obtaining material and munitions —in all these there is a preponderance in favour of the Allied countries. But there is a greater reason than these. Beyond all is the moral strength of our cause, and that counts in a struggle which involves sacrifices, suffering, and privation for all those engaged in it. A nation cannot endure to the end that has on its soul the crimes of Belgium. The Allied Powers have at their disposal more than twice the number of men which their enemies can command. You may ask me why are not those overwhelming forces put into the field at once and this terrible war brought to a triumphant conclusion at the earliest possible moment. The reason why Germany declared war is in the answer to that question.

*Germany and Russia.*

In the old days when a nation's liberty was menaced by an aggressor a man took from the chimney corner his bow and arrow or his spear, or a sword which had been left to him by an ancestry of warriors, went to the gathering ground of his tribe, and the nation was fully equipped for war. Now you fight with complicated, highly finished weapons, apart altogether from the huge artillery. Every rifle which a man handles is a complicated and ingenious piece of mechanism, and it takes time to prepare. The German arsenals were full of the machinery of horror and destruction. The Russian arsenals were not. That explains the reason for the war. Had Russia projected war, she would also have filled her arsenals, but she desired above everything peace. I am not sure that Russia has ever been responsible for a war of aggression against any of her European neighbours. Certainly this is not one of them. She wanted peace, she needed peace, she meant peace, and she would have had peace had she been left alone. She was at the beginning of a great industrial development, and she wanted peace in order to bring it to its full fructification. She had repeatedly stood insolences at the hands of Germany up to the point of humiliation, all for the sake of peace.

Whatever anyone may say about her internal government, Russia was essentially a peaceable nation. The men at the head of her affairs were imbued with the spirit of peace. Never was a nation so bent on preserving peace as Russia was. It is true Germany six or seven years ago had threatened to march her legions across the Vistula and trample down Russia in the mud, and Russia, fearing a repetition of the same threat, was putting herself in a position of defence. She was not preparing for any aggression, but Germany said, "This won't do. We don't like people who can defend themselves. We are fully prepared. Russia is not. This is the time to plant our dagger of tempered steel in her heart before her breastplates are forged."

*"The Purest Piece of Brigandage in History."*

That is why we are at war. Germany hurried her preparations, made ready for war. She made a quarrel with the same cool calculation as she had made a new gun. She hurled her warriors across the frontier. Why? Because she wanted to attack a country that could not defend herself. It was the purest piece of brigandage in history. All the same there remains the fact that Russia was taken at a disadvantage, and is, therefore, unable to utilise beyond a fraction of the enormous resources which she possesses to protect her soil against the invader. France was not expecting war, and she, therefore, was taken unawares.

*Great Britain Unprepared.*

What about Britain? We never contemplated a war of aggression against any of our neighbours, and therefore we never raised an Army adequate for such sinister purposes. During the last thirty years the two great political parties in the State have been responsible for the policy of this country at home and abroad. For about the same period we have each been governing this country. For about fifteen years neither one party nor the other ever proposed to raise an Army in this country that would enable us to confront on land a great Continental Power. What does that mean? We never meant to invade any Continental country. That is the proof of it. If we had, we would have instituted our great armies years ago. We had a great Navy, purely for protection, purely for the defence of our shores, and we had an Army which was just enough to deal with any small raid that happened to get through the meshes of our Navy, and perhaps to police the Empire. That was all, no more. But now we have to assist neighbours who have become the victims of a Power with millions of warriors at its command, and we have to improvise a great Army, and gallantly have our men flocked to the standard.

*The Largest Voluntary Army.*

We have raised the largest voluntary Army that has been enrolled in any country or any century—and it is going to be larger.

I saw a very fine sample of that Army this morning at Llandudno. There were men there of every class, every position, every calling, every condition of life. The peasant had left his plough, the workman had left his lathe and his loom, the clerk had left his desk, the trader and the business man had left their counting-houses, the shepherd had left his sunlit hills and the miner the darkness of the earth, the rich proprietor had left his palace and the man earning his daily bread had quitted his humble cottage. There were men there of diverse and varied faiths who worshipped at different shrines—men who were in array against each other months ago in bitter conflict, and I saw them march with one step under one flag to fight for the same cause, and I saw them worship the same God. What has brought them together? The love of their native land, resentment for a cruel wrong inflicted upon the weak and defenceless. More than that, what brought them together was that instinct which comes to humanity at critical times when the moment has arrived to cross rivers of blood in order to rescue humanity from the grip of some strangling despotism. They have done nobly; but we want more, and I have no doubt we will get more.

*Our Resources Adequate.*

If this country had produced an army which was equal in proportion to its population to the number of men under arms in France and in Germany at the present moment there would be three millions and a half in this country and 1,200,000 in the Colonies. That is what I mean when I say our resources are quite adequate to the task. It is not our fight merely—it is the fight of humanity. The Allied countries between them could raise armies of over twenty millions of men. Our enemies can put in the field barely half that number.

*"An Engineers' War."*

Much as I should like to talk about the need for more men, that is not the point of my special appeal to-day. We stand more in need of equipment than we do of men. This is an engineers' war, and it will be won or lost owing to the efforts or shortcomings of engineers. Unless we are able to equip our armies our predominance in men will avail us nothing. We need men, but we need arms more than men, and delay in producing them is full of peril for this country.

*"The People must be Told."*

You may think I am saying things that ought to be kept from the enemy. I am not a believer in giving any information which is useful to him. You may depend on it he knows, and I do not believe in withholding from our own public information which they ought to possess, because unless you tell them you cannot invite their co-operation. The nation that cannot bear the truth is not fit for war. But the bravery of our young volunteers, and the unflinching pride of those they have left behind them in their deed of sacrifice ought to satisfy the most apprehensive that we are not a timid race who cannot face unpleasant facts! The last thing in the world John Bull wants is to be mollycoddled. The people must be told exactly what the position is and then we can ask them to help.

We must appeal for the co-operation of employers, workmen, and the general public; the three must act and endure together, or we delay and maybe imperil victory. We ought to requisition the aid of every man who can handle metal. It means that the needs of the community in many respects will suffer acutely vexatious, and perhaps injurious, delay; but I feel sure that the public are prepared to put up with all this discomfort, loss, and privation if thereby their country marches triumphantly out of this great struggle. We have every

reason for confidence; we have none for complacency. Hope is the mainspring of efficiency; complacency is its rust.

*The Potato-Bread Spirit.*

We laugh at things in Germany that ought to terrify us. We say, "Look at the way they are making their bread out of potatoes! Ha, ha!" Aye, that potato bread spirit is something which is more to dread than to mock at. I fear that more than I do even von Hindenburg's strategy, efficient as it may be. That is the spirit in which a country should meet a great emergency, and instead of mocking at it we ought to emulate it. I believe we are just as imbued with the spirit as Germany is, but we want it evoked. The average Briton is too shy to be a hero until he is asked. The British temper is one of never wasting heroism on needless display, but there is plenty of it for the need. There is nothing Britishers would not give up for the honour of their country or for the cause of freedom. Indulgences, comforts, even the necessities of life, they would willingly surrender. Why, there are two millions of them at this hour who have willingly tendered their lives for their country. What more could they do?

*Industrial Disputes.*

If the absorption of all our engineering resources is demanded no British citizen will grudge his share of inconvenience. But what about those more immediately concerned in that kind of work? I am now approaching something which is very difficult to talk about. I must speak out quite plainly; nothing else is of the slightest use. For one reason or another we are not getting all the assistance we have the right to expect from our workers. Disputes, industrial disputes, are inevitable; and when you have a good deal of stress and strain men's nerves are not at their best. I have no doubt that the spirit of unrest creeps into the relations between employer and workmen. Some differences of opinion are quite inevitable, but we cannot afford them now;

and, above all, we cannot resort to the usual method of settling them.

*Time is Victory.*

I suppose I have settled more labour disputes than any man in this hall, and the thing that you need most is patience. If I were to give a motto to a man who is going to a conference between employers and workmen, I would say: "Take your time; don't hurry. It will come round with patience and tact and temper." But you know we cannot afford those leisurely methods now. Time is victory; and while employers and workmen on the Clyde have been spending time in disputing over a fraction, and when a week-end, ten days, and a fortnight of work which is absolutely necessary for the defences of the country has been set aside, I say here solemnly that it is intolerable that the life of Britain should be imperilled for the matter of a farthing an hour.

Who is to blame? That is not the question; but—How is it to be stopped? Employers will say, "Are we always to give way?" Workmen say, "Employers are making their fortunes out of an emergency of the country, why are not we to have a share of the plunder? We work harder than ever." All I can say is, if they do, they are entitled to their share. But that is not the point—Who is right? Who is wrong? They are both right and they are both wrong. The whole point is that these questions ought to be settled without throwing away the chances of humanity in its greatest struggle. There is a good deal to be said for and there is a vast amount to be said against compulsory arbitration, but during the war the Government ought to have power to settle all these differences, and the work should go on. The workman ought to get more. Very well, let the Government find it out, and give it to him. If he ought not, then he ought not to throw up his tools. The country cannot afford it. It is disaster, and I do not believe the moment this comes home to workmen and employers they will refuse to comply with the urgent demand of the Government. There must be no delay.

*The Importance of the Workshops.*

There is another aspect of the question which it is difficult and dangerous to tackle. There are all sorts of regulations for restricting output. I will say nothing about the merits of this question. There are reasons why they have been built up. The conditions of employment and payment are mostly to blame for those restrictions. The workmen had to fight for them for their own protection, but in a period of war there is a suspension of ordinary law.

Output is everything in this war. It is not going to be fought mainly on the battlefields of Belgium and Poland. It is going to be fought in the workshops of France and Great Britain; and it must be fought there under war conditions. There must be plenty of safeguards and the workmen must get his equivalent, but I do hope he will help us to get as much out of those workshops as he can, for the life of the nation depends on it.

*Drink and Output.*

I have something more to say about this, and it is unpleasant. I would wish that it were not I, but somebody else that should say it. Most of our workmen are putting every ounce of strength into this urgent work for their country, loyally, and patriotically. But that is not true of all. There are some, I am sorry to say, who shirk their duty in this great emergency. I hear of workmen in armaments works who refuse to do a full week's work for the nation's need. They are a minority. The vast majority belong to a class we can depend upon. But, you must remember, a small minority of workmen can throw a whole works out of gear. What is the reason? Sometimes it is one thing, sometimes it is another, but let us be perfectly candid. It is mostly the lure of the drink. These men refuse to work full time, and when they return their strength and efficiency are impaired by the way in which they have spent their leisure. Drink is doing us more damage in the war than all the German submarines put together.

Russia, knowing her deficiency, knowing how unprepared she was, said, "I must pull myself together. I am not going to be trampled upon, unready as I am. I will use all my resources." What is the first thing she does? She stops the drink. I was talking to M. Bark, the Russian Minister of Finance, and I asked, "What has been the result?" He said, "The productivity of labour, the amount of work which is put out by the workmen, has gone up between 30 and 50 per cent." I said, "How do they stand it without their liquor?" and he replied, "Stand it? I have lost revenue over it up to £65,000,000 a year, and we certainly cannot afford it, but if I proposed to put it back there would be a revolution in Russia." That is what the Minister of Finance told me. He told me that it is entirely attributable to the act of the Tsar himself. It was a bold and courageous step—one of the most heroic things in the war.

One afternoon we had to postpone our conference in Paris, and the French Minister of Finance said, "I have to go to the Chamber of Deputies, because I am proposing a Bill to abolish absinthe." Absinthe plays the same part in France that whisky plays in this country. It is really the worst form of drink used, not only among workmen, but among other classes as well. Its ravages are terrible, and they abolished it by a majority of something like ten to one that afternoon.

*Moderate, but Fearless.*

That is how those great countries are facing their responsibilities. We do not propose anything so drastic as that—we are essentially moderate men. But we are armed with full powers for the Defence of the Realm. We are approaching the question for the moment, not from the point of view of people who have been considering this as a social problem—we are approaching it purely from the point of view of these works. We have great powers to deal with drink and we mean to use them. We shall use them in a spirit of moderation, we shall use them discreetly, we shall use them wisely,

but we shall use them quite fearlessly, and I have no doubt that, as the country's needs demand it, the country will support our action and will allow no indulgence of that kind to interfere with its prospects in this terrible war which has been thrust upon us.

*"We are at War."*

There are three things I want you to bear in mind. The first is that we are at war; the second, that it is the greatest war that has ever been fought by this or by any other country; and the other that the destinies of your country and the future of the human race for generations to come depend upon the outcome of this war.

*If Germany were to Win.*

What does it mean were Germany to win? It means world power for the worst elements in Germany, not for Germany. The Germans are an intelligent race, they are undoubtedly a cultivated race, they are a race of men who have been responsible for great ideas in this world. But this would mean the dominance of the worst elements amongst them. If you think I am exaggerating, just read for the moment extracts from the articles in the newspapers which are in the ascendancy now in Germany about the settlement which they expect after this war. I am sorry to say I am stating nothing but the bare brutal truth. I do not say that the Kaiser will sit on the Throne of England if he should win. I do not say that he will impose his laws and his language on this country as did William the Conqueror. I do not say that you will hear the noisy tramp of the goose step in the cities of the Empire. I do not say that Death's Head Hussars will be patrolling our highways. I do not say that a visitor, let us say, to Aberdaron, will have to ask a Pomeranian policeman the best way to Hell's Mouth. That is not what I mean. What I mean is that if Germany were triumphant in this war she would practically be the dictator of the international policy of the world. Her spirit would be in the ascendant. Her doctrines would be in the ascendant; by the sheer

power of her will she would bend the minds of men in her own fashion. Germanism in its later and worst form would be the inspiriting thought and philosophy of the hour.

*France after* 1870.

Do you remember what happened to France after 1870? The German Armies left France, but all the same for years after that, and while France was building up her Army, she stood in cowering terror of this monster. Even after her great army was built France was oppressed with a constant anxiety as to what might happen. Germany dismissed her ministers. Had it not been for the intervention of Queen Victoria in 1874, the French Army would never have been allowed to be reconstructed, and France would simply have been the humble slave of Germany to this hour. What a condition for a country! And now France is fighting, not so much to recover her lost Provinces; she is fighting to recover her self-respect and her national independence; she is fighting to shake off this nightmare that has been on her soul for over a generation—a France with Germany constantly meddling, bullying, and interfering. And that is what would happen if Russia were trampled upon, France broken, Britain disarmed. We should be left without any means to defend ourselves. We might have a Navy that would enable us, perhaps, to resent an insult from Nicaragua, we might have just enough troops, perhaps, to confront the Mad Mullah—I mean the African specimen.

Where would the chivalrous country be to step in to protect us as we protected France in 1874? America? If countries like Russia and France, with their huge armies, and the most powerful Navy in the world could not face this terrible military machine, how can America step in? It would be more than America could do to defend her own interests on her own continent if Germany is triumphant. Ah! but what manner of Germany would we be subordinate to? There has been a struggle going on in Germany for over thirty years between its best and its worst elements. It is like

that great struggle which is depicted in one of Wagner's great operas between the good and the evil spirit for the possession of the man's soul. That great struggle has been going on in Germany for thirty or forty years. At each successive General Election the better elements seemed to be getting the upper hand, and I do not mind saying I was one of those who believed they were going to win. I thought they were going to snatch the soul of Germany: it is worth saving; it is a great, powerful soul, and I thought they were going to save it. Then a dead military caste said, "We will have none of this," and they plunged Europe into seas of blood. Hope was again shattered.

"*Harnessed to the Chariot of Destruction.*"

Those worst elements will emerge triumphant out of this war if Germany wins. We shall be vassals, not to the best Germany, not to the Germany of sweet songs and inspiring, noble thought—not to the Germany of science consecrated to the service of man, not to the Germany of a virile philosophy that helped to break the shackles of superstition in Europe—not to that Germany, but to a Germany that talked through the raucous voice of Krupp's artillery, a Germany that has harnessed science to the chariot of destruction and of death, the Germany of a philosophy of force, violence, and brutality, a Germany that would quench every spark of freedom either in its own land or any other in rivers of blood. I make no apology on a day consecrated to the greatest sacrifice for coming here to preach a holy war against that.

War is a time of sacrifice and of service. Some can render one service, some another, some here and some there. Some can render great assistance, others but little. There is not one who cannot help in some measure, even if it be only by enduring cheerfully his share of the discomfort.

In the old Welsh legends there is a story of a man who was given a series of what appeared to be impossible tasks to perform ere he could reach the desires of his heart. Amongst other things he had to do was to

recover every grain of seed that had been sown in a large field and bring it all in without one missing by sunset. He came to an anthill and won all the hearts and enlisted the sympathies of the industrious little people. They spread over the field, and before sundown the seed was all in except one grain, and as the sun was setting over the western skies a lame ant hobbled along with that grain also. Some of us have youth and vigour and suppleness of limb; some of us are crippled with years or infirmities, and we are at best but lame ants. But we can all limp along with some share of our country's burden, and thus help her in this terrible hour to win the desire of her heart.

## CHAPTER IX

### HOW LONG WILL THE WAR LAST? [1]

"How long will the war last?" That is a question asked me repeatedly. It was put to Abraham Lincoln in another war full of trials, full of vicissitudes, and full of moments of depression. His answer was: "We accepted this war for an object, a worthy object, and this war will end when it is attained." This must be the sentiment of every true-hearted Britisher to-day. Under God I hope it will never end until that time comes. What is that object—that supreme object? The freedom of Europe!

This desolating war has been forced upon us by an arrogant military caste that sought to enslave Europe, who thought they had perfected a machine that would tear through her vitals and leave her bleeding and crushed at their feet. The Prussian means to dominate the world. That is a mania which has possessed the military castes in every century. Once or twice it has succeeded, and that has upset the balance of many who thought they could follow. But although they will not succeed, nevertheless to overthrow that ambition will cost Europe a ghastly price in blood and in treasure. Our share of that price we must be prepared to pay, or for ever sink into a degrading vassalage—a poor end for a splendid empire that was to lead the world in the paths of liberty; and we will never accept it, whatever the price.

[1] Speech delivered at the Fifty-second Anniversary Dinner of the Newspaper Press Fund, at Whitehall Rooms, May 7th, 1915. Mr Lloyd George presided.

*What Happened to England Once.*

I wonder now whether the nation fully realises what the issue is, what the result would be if defeat were possible. Many of you have been on Beachy Head, and looking along the coast have seen one of the most beautiful views in England, and a very interesting one at the present moment. There you find a dent in the coast where a foreign Prince landed with an army which was the finest fighting machine in Europe. He imposed his language, his laws, his customs, his ideas upon this land, and enslaved the population. You may say that can never happen again. Not that way; but if you want to know how it may happen again, read the explanation given by Dr. Dernburg when he was trying to remove the susceptibilities of the American people, not when he was blustering, but when he was talking calmly, modestly, to remove apprehensions.

*The German Ambition.*

He said this war can only end by the command of the seas being wrested from Britain and the power of the only two or three countries that can oppose Prussian militarism being destroyed for ever. He will not annex Britain. He is not going to absorb Russia nor France, he explains: the only reason is that the meal will be an indigestible one. But the command of the seas is to be taken away from us as the price of peace. Yes, Britain is to be as Belgium, a land at the mercy of Prussian war lords. Whenever it resists their behests it is to be overrun, it is to be trampled underfoot. London is to be as Brussels, and Oxford as Louvain, and the tramp of the Kaiser's legions is to resound through the roads of Britain. That is the price. Who is there so mean as to pay that price?

Russia is to be broken, France too, and if there is any other nation that will stand up to this mighty Power, that must go. Russia, a toothless bear chained in its pit; France, with neither wings to soar nor spurs to defend herself; Britain, a harmless whale in the German

Ocean, fit only for blubber for Germany! A pretty picture! But do not imagine that the Prussian does not mean it all. The nation has to realise that, and it has not quite done so yet. It will be idle then to talk of small nationalities—not even gallant, brave nationalities like those represented by the Serbian Minister.

It will be idle to talk of small nationalities, though they may know how to die when greater nations lie prostrate. That is what the nation must realise. The nation must raise itself to a full comprehension of all that is involved in the struggle. It is the duty of the Press to teach it. It is the task of the Press to lift up the nation to the true level of heroism which is needed, and to keep it at that high level above sordid interests. Pray God the Press does not use its mighty influence to drag it down.

*The Valour of our Army.*

The soldiers are doing their duty. This landing in the Dardanelles is one of the finest feats of arms ever recorded in history. All brave, all valiant, all prepared to face death for their country, and worse, to face torture. I am not talking of officers high in command, I am not talking of veterans inured to discipline and to facing danger, I am talking of the ordinary common soldier among us, whom you and I know. It seems but a few weeks ago that we knew them as just ordinary men, pursuing in quiet and unostentatious way their every-day avocations with nothing apparently to distinguish them in mind or heart from their fellows. When the call came they offered their lives to their country without demonstration, just as if they were pursuing their daily task. The next thing you hear about them is in some terrible battle, with grim valour marching through horror and carnage without flinching; yes, and thousands of men of exactly the same kind of mettle are carrying high their country's fame and honour through the jaws of hell. There are hundreds of thousands of them already there who have gone through this experience; there are two million more just as brave, just as gallant.

*Our Duty.*

I will tell you what our duty is. It is this: each of us in his sphere, you of the Press, men in their departments, men in their workshops, those in every sphere of life, must so act that when the last of these men has left for a foreign land to fight for the flag, it shall not be said then that all the heroism has quitted the shores of this country.

# CHAPTER X

## THE NEED FOR ECONOMY [1]

THE only savings which would help us substantially are the savings of the people themselves, the savings of individuals, of families, and of the man who is getting an income in any shape or form—those are the savings which will be helpful in prosecuting a great war. Whether they invest those savings in Government securities or loans or in other securities on the market, it almost comes to the same thing, because those who sell securities may invest in a Government loan. The savings of the people at the present moment are vital to success and every man who cuts down unnecessary expenditure in his own sphere is contributing something material and important towards the triumph of this country. If the savings of the country could be doubled, and if instead of saving £400,000,000 we were saving £800,000,000 or £900,000,000, that means something of the very greatest importance to the interests of the country at this very critical juncture. It is important that it should get thoroughly into the public mind that every man, however small his income, who saves and cuts down unnecessary expenditure is helping the country.

### *A Question of Patriotism.*

It is easier to save at a time like this than in ordinary times. One of the difficulties of saving is the question of pride. A man is afraid, if he cuts down his expenditure,

[1] Extract from a Speech delivered in the House of Commons during the Debate on the Budget Proposals, May 12th, 1915.

that some people will think there is a reason for it connected with his private affairs, and in the case of a business man a word of that kind going round may damage his credit. I know that a good deal of expenditure is kept up for that reason. Another reason undoubtedly is that you do not like to cut down expenditure upon labour or your expenditure in the village, because you are afraid of being accused of meanness. This is not a question of meanness, but a question of patriotism. This is the time when people can save without their motive being misinterpreted, and if men of influence would set an example in that direction they would be rendering a very great service to the country at a moment when every penny is required to finance, not only our own expenditure, but the expenditure of our Allies.

### *A Simpler Standard of Living.*

One thing is perfectly clear. The standard of living in this country for all classes will perforce be reduced in one way or another. Anyone who has studied the standard of living during the last thirty or forty years must have seen how it has been rushing up at a prodigious rate. With the increasing wealth and prosperity of the country year by year, up has gone the standard of living. We shall find that the community will have to return to its old and simpler level of expenditure. It will be a good thing in itself. Had we not better face it at once? Men can make sacrifices of luxuries and comforts in a great war when they make sacrifice of life, so that this is the time when people will be prepared to bring themselves down to that level. There is the heat and there is the passion that will enable you to mould and remould a country and a society to some better form and fashion. You can do it in a great war, and this is the time for us to do it.

### *"Be Wise in Time."*

There is a great appearance of prosperity now. It is purely artificial. We are living upon borrowed money exactly like the man who mortgages his estate and instead

of living upon his rent-roll lives upon the money he has borrowed on the mortgage he has effected upon his property. That thing cannot last. The rate of living is even going up at the present moment amongst the more prosperous classes. I am not referring to the working classes. We hear of men making great fortunes in certain businesses dependent upon the fortunes of the war and instantly beginning to spread themselves out. That is purely being done upon money which the country is borrowing. We are living on mortgaged money. We shall have to pay for it. When the war is over there may be a slight period of artificial prosperity in order to repair the ravages, but then will come a great collapse, and, if the nation is wise, let it be wise in time. If the nation is wise it will just look ahead, take advantage of this opportunity and lay by for that day when it comes, so that we at any rate will be able to face it without the distress, the misery, and the wretchedness which has ever followed upon a great war.

# CHAPTER XI

## THE APPEAL TO THE WORKSHOP[1] (I)

### *The Importance of the Workshops.*

It depends more upon the masters and men who are occupied in running the workshops of this country, than upon almost any section of the community, whether Britain will emerge from this colossal struggle beaten, humiliated, stripped of power and honour and influence, the mere bond slave of a cruel military tyranny, or whether she will come out triumphant, free, more powerful for good than ever in the affairs of men.

You have read—and so have I—appeals from the front to the workshop. I would almost say that at the present moment everything depends on the workshops of Britain. Have you read that anxious tale of the struggle which is going on now in Galicia? Read it, read it well, read it intelligently, and you will find how much the workshops count in this war.

### *The Superiority of the Foe.*

Our Russian Allies have suffered a severe setback. I have come here to tell you the truth. Unless you know it you cannot be expected to make sacrifices. They have suffered a severe setback. The Germans have achieved a success—a great success. Why? Not because of the superior valour of their soldiers. No soldiers that ever fought in any war since the dawn of time fought with greater gallantry and bravery than the Rus-

[1] Speech delivered at Manchester, June 3rd, 1915, on the occasion of a visit to Lancashire to organise engineering resources for increasing the output of munitions of war.

sian soldiers have done. Thunder-showers of shot poured upon them, their protecting trenches were demolished, and yet when the Germans advanced, there arose out of the shattered earth legions of dauntless men before the foe. Is it the superiority of the German generals? The Russians on that front are commanded by one of the most brilliant generals on the battlefields of Europe to-day. Is it owing to the superiority of the German numbers? The Russians have unlimited numbers of men—of real men. To what is the German triumph due then? It is due entirely to superior equipment, overwhelming superiority of shot and shell, of the munitions and equipment of war. That victory has been won, not by the strategy of the German generals or by the greater gallantry of their troops, but by the use they have made of their skilled industry and especially by the superior organisation of their workshops.

*What Might Have Been.*

Have you read the story of that battle which appeared in all the papers—how 200,000 shells were concentrated in the course of a single hour on the devoted heads of the gallant Russians, 700,000 fired away in a single battle? Had we been in a position to apply the same process to the Germans on our front, broken their lines, driven them back the same number of miles as they have driven back the Russians in Galicia, what would have happened? They would have been turned out of France, they would have been driven half-way across the devastated plain of Flanders. They would have been well out of the country they have tortured and tormented with a dastardly cruelty. More than that; we should have actually penetrated into Germany and we could have seen clearly in front of us the end of this terrible war, the only end which is consistent, believe me, with the continued existence of the British Empire as a power for good in the government of the world, the only end which is consistent with the continued liberties of Europe.

That is what workshops could accomplish, and workshops alone. For the moment we have more than plenty

of men in proportion to the equipment we have ready for them. The French have gallant men, the Russians have overwhelming numbers of men. No doubt we shall want more men. They will come to the call—but we want the workshops to equip them with the weapons, to give them the power to break their way through, and shatter this cruel military despotism to the dust. To attain this glorious end the State needs the help of each of you, the help of all of you, and all the help which each and every one of you can give.

*"Help Us to Equip Our Armies."*

What help can you render ? That is what we are here to-day to tell you. I don't know enough about engineering to instruct any engineer as to what he ought to do, but I know something of the adaptability, the skill, and the resourcefulness of British engineers, and I am perfectly certain that what the French engineers have already done, British engineers can accomplish.

In France the private firms have given to the State an assistance at this critical hour the value of which is beyond computation. These last victories of the French armies are very largely attributable to the private workshops of France. It has been very largely due to what they have done in the course of the last few months that the French have been enabled to pierce the German lines during the last few weeks; I am here to ask you to help us in the same way to equip our gallant troops with the means of breaking through the German lines in confronting them. I know you will do it.

*Patriotism versus Compulsory Powers.*

I am here to appeal to the patriotism of Lancashire, an appeal that never was made in vain to your county. I am not here to brandish my powers under the Defence of the Realm Act. They are very great; but I am perfectly certain I can get more out of your patriotism than out of any Act of Parliament. All the same, the committees which you will appoint amongst yourselves will find the compulsory powers of the Defence

of the Realm Act very helpful in enabling you to organise quickly and to get rid of unnecessary difficulties without loss of time. Persuasion is always best when you can afford it, but sometimes you can't; there is no time for it, and one troublesome person—I don't say that you have any in Lancashire—I have never met one yet—but one troublesome person, if you have such a person, may disarrange, dislocate, and clog the whole machine.

*Advantages of Defence of Realm Act.*

You cannot wait in a war until every unreasonable man becomes reasonable, until every untractable person becomes tractable. Some people you can convince quickly, some take a little longer, and some do take such a lot of persuading. With the third class the best argument you will find will be the Defence of the Realm Act.

I will tell you another advantage you will derive from that Act. You attach as business men, and so do the workmen, great importance to equality of sacrifice. There is not one of you who is not prepared to sacrifice everything he has to save his country and to see her victorious, but you want to feel that others in like condition are called upon to make exactly the same sacrifice, otherwise you have to sacrifice doubly, not for the sake of your country but to make up the deficiency of another man who is not doing his duty. That is not quite good enough. You want to feel that where you are placing your time, the organisation to which you have devoted the best of your life to build up—and your father before you, perhaps—that where you are putting the whole of that and your machinery and all you have into helping your country, another man is not taking advantage of that fact in order to walk off with any business that may be waiting to be executed. That is where the Defence of the Realm Act comes in.

*Compulsion not for the Majority.*

Some people don't like the idea of compulsion. Compulsion is not meant for the majority of people. Your

experience and mine must be that most people never come up against compulsion at all, because they not merely do as a matter of course what the law asks them, they do a great deal more without the law ever coming near them and asking them to do it. But there are a few who just lag behind, and it is very useful to have something that will jog them along. It is the elementary duty of every citizen to place the whole of his strength and resources at the disposal of his native land in its hour of need. No State can exist except on the basis of a full recognition of that duty on the part of every man and every woman in the land. To what extent and in what direction the moral duty of each citizen to give his best to the State should be converted into a legal duty, a question not of principle but of necessity, is to be decided from time to time as the emergency arises during a period of war.

### "*Trusting the Government.*"

These questions spring up with great rapidity and ought to be dealt with with decision and promptitude, and above all, with courage. The primary responsibility must rest with the Government for the time being. They alone possess all the facts. There are facts which are only known and can only be known to the Government. Prolonged public discussion as a preliminary to action is all right in times of peace ; you can't afford it in war. The ordinary method of arriving at a great national decision in a democracy—prolonged discussion on the platform, discussion in the Press, discussion in the workshops—these methods are totally inapplicable to a period of war. The facts, the whole facts necessary in order to enable you to come to a conclusion, can only be known to the Government. There are things you cannot discuss in public ; there are facts you cannot make public.

It is a question of trusting the Government for the time being with the whole destinies of the nation, or of dismissing them and setting up another which you can trust. In the French Revolution when they

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distrusted a Minister, they had a very summary method of dealing with him, but may I point out that until they dealt with him they obeyed him implicitly, and that is why they pulled through. I don't mind the guillotining of ministers or generals, if necessary, but until they reach the scaffold they ought to be obeyed, and, above all, don't unnerve them by sniping at them from behind.

"*You Cannot Argue under Shell Fire.*"

There is a great discussion going on now as to the question of conscription, and we are discussing it as if we were discussing, say, land reform, National Insurance, or Home Rule, in the full leisure and tranquillity of peace. You cannot argue under shell fire, you can only decide. I can only say this, that to introduce compulsion as an important element in organising the nation's resources of skilled industry and trade does not necessarily mean conscription in the ordinary sense of the term. Conscription means raising by compulsory methods armies to fight Britain's battles abroad. Even that is a question, not of principle, but of necessity. If the necessity arose I am certain no man of any party would protest. But pray don't talk about it as if it were anti-democratic.

"*The Greatest Weapon in the Hands of Democracy.*"

We won and saved our liberties in this land on more than one occasion by compulsory service. France saved the liberty she had won in the great Revolution from the fangs of tyrannical military empires, purely by compulsory service. The great Republic of the West won its independence, saved its national existence by compulsory service, and two of the greatest democratic countries of Europe to-day—France and Italy—are defending their national existence and liberties by means of compulsory service. It has been the greatest weapon in the hands of the democracy many a time for the winning and preservation of freedom.

Nevertheless it would be a great mistake to resort to it unless it be absolutely necessary. That is the point.

I think the opponents of conscription are entitled to say at the present moment that the young men of the nation have not refused to respond in sufficient numbers to the appeals made to their patriotism, to fight the battles of liberty in any continent, whether Europe, Asia, or Africa. They are still coming in. Their numbers are far ahead of the equipment for them, and I have no reason to doubt from what I see of the rate at which they are volunteering that their number will keep well ahead of equipment; and it would undoubtedly be a proud boast at the end of this war that, without compulsion, we had done something that no country in the world has ever done; that our young men from every rank of life, from every home, had torn themselves away from their associations, tender and affectionate, and of their own free will had placed their lives at the disposal of their country. It will be a great boast, and it will be a still greater boast that all the descriptions of horror cabled from the battlefield had only one effect on the breast of our young Britons; it sent them to the recruiting office in greater numbers and with greater celerity. It is a great story and I should like to see it continued on the same exalted level of ringing triumph to the concluding chapter.

*Another Problem.*

However, that is not the real problem, and I say to those who wish us to dismiss conscription for the time being as a means of levying armies for fighting abroad: You ought not thereby to assume that it is unnecessary in enabling us to mobilise the industrial strength of this country.

*Britain Unprepared.*

Let us be quite frank with ourselves. Frankness is the beginning of wise action; it is the beginning of victory. We were the worst organised nation in the world for this war. I am not altogether sorry for that. That fact will be our apology and defence in history when this war comes to be judged. I would rather that we suffered somewhat than that we should have the stain on our

conscience of having had anything to do with precipitating this horrible war. When we appear at the great judgment seat of history as a nation and as a people, and this war, with its terrors, with its tortures, with its suffering, is brought up against us, we can say the proof that we are innocent of this crime is that we did not prepare; that we at any rate did not organise for that war. We had not gathered together great forces for the purpose of conquering Germany or Austria, or trampling upon the liberties of any other nation. But, undoubtedly, the exculpatory fact left us the worst-organised nation for war in the world. We are a very individualistic nation, which means that we all want to have our own way. Individualism has its merits in producing strong, independent, virile nations, but in war individualism has its manifold defects. I have only held the office of Minister of Munitions for a few days. It is true I had some insight before that into the position of things, but what I have seen has convinced me, from overwhelming testimony, that the nation has not yet concentrated one-half its industrial strength on the problem of carrying this great conflict successfully through.

*Our Task.*

It is a war of munitions. We are fighting against the best organised community in the world, the best organised whether for war or for peace, and we have been employing too much the haphazard, leisurely, go-as-you-please methods, which, believe me, would not have enabled us to maintain our place as a nation even in peace very much longer. The nation now needs all the machinery that is capable of being used for turning out munitions or equipment, all the skill that is available for that purpose, all the industry, all the labour, and all the strength, power, and resource of everyone to the utmost. Everything that would help us to overcome our difficulty and supply our shortages we want to mobilise in such a way as to produce, in the shortest space of time, the greatest quantity of the best and most efficient war material. That means victory.

*"Every Shell a Lifeguard."*

It means a great saving of national strength and resources, for it will shorten the war. It means an enormous saving of life. I should say to workmen and to masters: "When you turn out shells you are not turning out something merely to kill the enemy, you are turning out something which is to save the life of a comrade." Millions of them are going to face the foe, a large number of them from working-class houses. Every shell you turn out is a lifeguard for some of those gallant fellows who are leaving our shores to risk their lives. You have only to read the story of these battles to find out how well an abundant supply of heavy explosives and shell destroy the machine guns, which would otherwise destroy the lives of our fellows, mowing them down and mutilating them as they tear up the barbed wire entanglements. I ask engineering firms of this country, I ask masters, I ask men, I ask everybody, put your strength into this task in order to save the lives of the most gallant set of fellows that ever quitted our shores.

*Compulsory Powers over Employers.*

Can we achieve this essential aim without further emergency measures determined by the period of the war to which all citizens must give implicit obedience? As far as employers are concerned, as I have already pointed out, we have decided that compulsory powers are essential in order to utilise their resources to the best advantage. The employers themselves properly think so.

I have told you something about the Defence of the Realm Act. It gives us most complete powers over all the workshops of this country. It enables us to place Government work first, which means that the work of the country must come first. Government work must not be sacrificed to any civil work, however important it is. The work of the country must come first because, unless it does, there will be no country left worth working for. Don't let the flag be shot down for any man's profit! We have the most complete command in our statutory

powers over the workshops, as such; we have complete command over every machine in the workshop; and when you set out to undertake this task for us I want you to remember that if you experience difficulty with anybody you have the most ample powers through the Munitions Office and under the Defence of the Realm Act.

Why did we ask for these powers? Not because we thought engineering firms were unpatriotic. It is because the possession of these powers saves time which would otherwise be necessarily consumed in persuasion. It saves a breakdown which might occur if you had any obstinacy or stupidity or selfishness on the part of any individuals you have to deal with. It will be helpful for the best employers, and I am perfectly certain that they will find it most serviceable when they come to organise this county.

### *The Part of Labour.*

Now I come to the part of labour, and here again I must speak quite frankly. It is no good my occupying this post unless I am allowed to speak quite frankly to employers and workmen alike. The employers are now, under the Defence of the Realm Act, practically subject to complete State control for industrial purposes. If we are to make the best of our resources for winning and for shortening the War, the same principles must extend to the whole field of industrial organisation, whether it be capital or labour. There must be but one reservation: that the State control of labour must endure for the benefit of the State and not for increasing the profits of any industrial or private organisation.

With regard to labour, two things are essential to our efficiency, and to the efficiency of the organisations. The first is that we must increase the mobility of labour; and the second is that we must have greater subordination in labour to the direction and control of the State.

### *How France met her Needs.*

These conditions they have secured in France. What I am attempting to do now as Munitions Minister was

practically done in France in September or October. The leading spirit in that achievement was a very clever young Socialist deputy. He was not then in office, and what he did was not as an official of the State, but purely as a patriot who felt that this was a fight for democratic liberty. He organised all the great workshops of France—at least, he took a very leading part in doing so—and I am very glad to say that they have now practically given him exactly the same post as I hold in this country. He had one great advantage over me. All the labour in France is at the disposal of the State. That is due, of course, to their law with regard to national service. Under that law workmen can be sent either to this or to that factory, according to the Minister's view as to where they can be most useful; they can be grouped and concentrated exactly as is most serviceable for the purpose of producing the greatest number of machines and of munitions of war. In Italy all the masters and workmen alike are completely under the control and direction of the State during the period of the war, as completely as their comrades in the trenches.

*The Faults of our System.*

I will tell you, quite frankly, why it may be dangerous to depend entirely upon the continuance of our present conditions. We have a great voluntary Army, the greatest voluntary Army the world has ever seen. It numbers millions, but it has taken ten months to enlist. We cannot afford ten months to enlist the great industrial army.

Another point I wish to put is this: Under present conditions men have enlisted who would have rendered better services at home. Men have not enlisted who would have rendered very much better services at the front. I am told: "Well, but you can stop this by preventing men enlisting from works where their services are required." You cannot. I am told that some men have insisted upon going to the front. They say: "We are not going to have it suggested to us that we are greater cowards than our fellows," and they have insisted upon

going. You want compulsion in this case not to send men to the front, but to prevent men from going to the front.

*The Meaning of a Voluntary Army.*

And you must remember this. The voluntary army you have at the front consists of men who have placed their movements under the complete direction of those who represent the State. Their time, their movements, their direction, the very locality they are in, are chosen by the officers of the State; their very lives are at the disposal of the State. That enables those who represent the State to concentrate them, to order them to a position where they can render the greatest service to the State. That is what a voluntary army in a military sense means. I am sorry to say it does not mean that industrially. The regulations, the customs and practices which may be of great service and probably of great service in times of peace, are utterly inapplicable and out of place in the terrible urgency of war.

*The Enlisted Workman.*

The enlisted workman cannot choose his locality of action. He cannot say, "I am quite prepared to fight at Neuve Chapelle, but I won't fight at Festubert, and I am not going near the place they call 'Wipers.'" He cannot say, "I have been in the trenches ten hours and a half and my trade union won't allow me to work more than ten hours." He cannot say, "You have not enough men here, and I have been doing the work of two men. My trade union won't allow men to do more than my own share." The veteran who has been seven years at the job, seven years in the army, can't say, "Who is this fellow by my side, this mere fledgling? He has only just a few weeks' training; it is against my union's regulations, and I am off."

*"The House on Fire."*

When the house is on fire, questions of procedure, of precedence, of etiquette, of time, and division of

labour disappear. You cannot say that you are not liable to service at three o'clock in the morning, if the fire is proceeding. You don't choose the hour; you cannot argue as to whose duty it is to carry the water bucket and whose duty it is to tip it into the crackling furnace. You must put the fire out. There is only one way to do that. That is everything must give way to duty, good-fellowship, comradeship and determination; you must put the whole of your strength into obtaining victory for your native land and for the liberties of the world.

*New Methods Needed.*

We have been endeavouring to conduct a war against the most formidable antagonist that ever attacked human liberties, with the ordinary, clumsy, unhandy weapons of peace. You may as well send our men to face shrapnel and howitzers armed with picks and shovels as to go through the war with your industrial army unorganised, equipped and armed merely with the weapons of peace. They are not applicable. The ordinary methods of controversy are inapplicable. Party politics are gradually vanishing. We hear occasionally a lingering growl, and we are all looking forward to the days when we will hear the roar of the party politician again. It will be a proof that peace has returned. I am not sure that the same men will quarrel with the same men; in fact, I am fairly certain that they will not; but I hope it may be that when the hour for reconstruction comes all will be for the State, all will be for the nation.

We shall have to face new conditions, make a new country and a new land, and we shall want all of you, each like a very bricklayer with his trowel, to be working together. But meanwhile the enemies of human liberty have to be crushed. Time is essential.

*"We Will See You Through."*

If I could for a moment make everybody realise the great issues, the great dangers, of the struggle we are engaged in, there would be but one cry from every home

to the Government. It would be this:—"Convince yourself as to what action is necessary, take it boldly, and we will see you through." If the country is not prepared for that, then let us go to the nearest German internment camp, pick your men and send them as a deputation to the Kaiser, and say on behalf of Great Britain: "We tender you our deepest apologies. We are sorry we have sinned against the great monarch of the world. What penance wouldst thou inflict upon us for our transgressions?"

We will gladly endure, sacrifice everything for the purpose of winning. Let us do each what we can. If those in command thought I could be of greater service shouldering a rifle in the trenches, I would go, and so would you. If we could be of greater service in the humbler duty of filling the shell which is to protect the lives of our men and win the victory for Britain, we would do that. Those who are responsible for the Government of this country have chosen to think that I could render better services by stepping down from the very exalted office that I held in order to take up this difficult and onerous and anxious task, and in this capacity I am come here to appeal to you to stand by our country when it has risked danger, risked its honour, risked its life in the most chivalrous cause for which any nation ever went into battle.

## CHAPTER XII

### THE APPEAL TO THE WORKSHOP[1] (II)

THE situation is a serious one. It is as grave a situation as this country has ever been confronted with. The issues are great, the perils are great, and nothing can pull us through but the united effort of every man in the British Empire. If you look at what our brave fellows are doing at the front, you can see the perils, the trials, the privations which are facing them there, and they are enduring it without flinching. Never in the history of this country have our men shown greater courage and endurance than they have during this war. They have done all you can expect of mortal men. We who are comfortable at home, free from privations, free from danger, let us each of us do his part as nobly as those heroes of ours are doing theirs at the front. It would be horrible for us to think that those who fall, fall through our neglect. It would be a still more ghastly reflection to think that those who fall have given their lives in vain through any slackness or selfishness on the part of any one of us in this land.

#### *The Spirit of Germany.*

What makes Germany a formidable enemy is not merely her preparation for war, it is not merely her organisation, potent as that is, but it is the spirit of every class and section of her population. They are all subordinating everything to the one great national

[1] Speech delivered at Liverpool, on June 14th, 1915, during a visit to Lancashire for the purpose of organising the engineering resources for the manufacture of munitions of war.

purpose of winning victory for their Fatherland. That is the least we can do in this country for our land. I have never for a moment doubted where ultimate victory would lie; nor have I ever under-estimated the difficulties. But although I have never doubted where victory would rest, nevertheless I know that victory will come the sooner for recognising what the difficulties are. You cannot remove difficulties without facing them, and you cannot face difficulties without seeing them; and the business of a Minister is to point them out, and then to appeal to every section of the community to assist the Government in overcoming the obstacles in the way.

*The Help of Everyone.*

At this moment we want especially the help of those who can contribute to the increase of the output of munitions and equipment. We want the help of the employers. We want the help of the workers. We want employers and workmen to feel their responsibility in this matter. It is my intention to utilise as much as I possibly can the business brains of the community. I hope to get their assistance—some of them at my elbow, in London—to advise, to counsel, to guide, to inform and instruct, and to direct; but I want the help of the business brains in the localities. This is no time for the usual methods of doing business with the Government. I am assuming that Governments in the past have done their business in the most perfect way. This is not a time for the usual roundabout methods of Government business. We must trust business men in the localities to organise for us, to undertake the business in each particular locality on our behalf.

*Less Red Tape.*

We want to suspend during the war, not merely trades union regulations, but some Government regulations too. We want rifles, we want guns, we want shells, fuses, chemicals, explosives. There is one thing we want less than usual, and that is Red Tape. It takes such a long time to unwind, and we cannot spare the time.

Therefore the first thing I am going to ask you to do is to organise for yourselves in this locality, and in every other locality, the engineering resources for the purpose of assisting the Government. You know best what you can do. I know the resourcefulness of the engineers of this county. I know, as the Lord Mayor has already pointed out, their adaptability. I want you to come together and form your own committee of management, and having done that, organise among yourselves the engineering resources of the locality with a view to producing the greatest result in the way of helping our gallant forces at the front. That involves a good deal more confidence and trust than usual. We have no time to go through the same processes of examination, of bargaining as you usually get in the matter of Government contracts. Whatever is done must be done with promptitude. That involves our trusting to the integrity, to the loyalty, to the patriotism of the business men to do the best for us, and do it on fair terms.

*A Business for All of Us.*

I want you to regard this as your business as well as ours. This is not a Government entering into negotiations with you. You are the Government. You have an interest in this concern. It is your concern just as much as it is ours, and I want you to help us. This is a business for all of us, and we want every business man in the community to give his very best to help the Old Country through in this great emergency and crisis. That means that you will, as soon as you possibly can, get your committee of management, and through that committee of management organise your district for the purpose of producing such material of war or such other component parts of any particular material of war you can help us to produce.

"*God Help Labour.*"

I would make the same appeal to Labour. I want them also to feel that this is their business. Should Germany win, God help Labour. It will come out of it worst

of all. The victory of Germany will be the victory of the worst form of autocracy that this world has seen for many a century. There is no section of the community that has anything like the interest in overthrowing this military caste that Labour has, and the more they realise that, difficulties will vanish, obstacles will go, and bickerings and slackness will disappear; and we shall have them working as one man to help us to win a triumph for democratic free Government against the autocratic systems of Germany and Austria.

*Trades Union Restrictions.*

I have had the privilege both yesterday and to-day of meeting some of the leading representatives of Labour in Manchester and Liverpool, and let me say this, as far as the official representatives of organised labour are concerned we have had nothing but help. The difficulty has been when you get beyond. I am not saying a word about Trades Union regulations during a period of peace. I have no doubt they were essential safeguards to protect Labour against what otherwise might have been a serious interference with their rights and with their prospects. But as I have already pointed out to you, Government regulations have to be suspended during the period of the war because they are inapplicable in a time of urgency. The same thing applies to many Trades Union regulations and practices.

The first I should like to call attention to are those rules which had been set up, for very good reasons, to make it difficult for unskilled men to claim the position and rights of men who have had training. That is the same in every profession. I happen to belong to about the strictest, the most jealous, Trades Union in the world. If any unskilled man—and by an unskilled man we mean a man who has not paid our fees—if any man of that sort, however intelligent he was, tried to come in and interfere with our business, we would soon settle him. But if during the period of the war there were any particular use for lawyers, if you found that upon lawyers depended the success of the war—I know

it requires a good deal of imagination—even my Celtic imagination will hardly attain to that exalted height—but if that were possible for a moment, do you suppose that even the Incorporated Law Society, the greatest and narrowest of all Trades Unions, could stand in the way of bringing in outside help in order to enable us to get through our work ?

*" Relax these Rules ! "*

The same thing applies here. If all the skilled engineers in this country were turned on to produce what is required, if you brought back from the front every engineer who had been recruited, if you worked them to the utmost limits of human endurance, you have not enough labour even then to produce all we are going to ask you to produce during the next few months. Therefore we must appeal to the patriotism of the unions of this country to relax these particular rules in order to eke out, as it were, the skill, to make it go as far as it possibly can go, to enable us to turn out the necessary munitions of war to win a real and speedy triumph for our country in this great struggle.

*Women in Shell Factories.*

The same thing applies to the work of women in the factories. There is a good deal of work now done by men, and men only, in this country, which is done in France at the present moment in shell factories by women. Why is that ? They have not enough men to go round. The men are working as hard as they can, for as long hours as they possibly can, but in spite of that they could not turn out a sufficient number of shells and other material of war without doling out a good part of the work to women. If there are any trade union regulations to prevent the possibility of that being done in this country, I hope that during the period of the war these will be suspended.

*Slowing Down of Work.*

Now I am coming to another thing—and I am here to talk quite frankly ; it is very much better to do so—

there must be no deliberate slowing-down of work. I have had two or three very painful cases put before me. One was from an arsenal upon which we were absolutely dependent for the material of war. There was a skilled workman there who worked very hard and who earned a good deal of money. He was doing his duty by the State. He was warned that if he repeated that offence he would be driven out. I am not quite sure that he was not actually driven out. The same thing happened in another factory. Now in the period of war this is really intolerable. We cannot do with it. We cannot afford it. I say again there may be reasons that a policy of that sort should be adopted in a period of peace. I am expressing no opinion about that. I am simply stating the fact of this particular emergency, and I am sure that the chief thing in this emergency is that everybody should put forward all his strength in order to help the country through. Therefore I do hope that whatever regulation, whatever practice, whatever custom there may be in existence at the present moment which interferes in the slightest degree in the increase of war material, they will be suspended during the period of war.

*A Government Guarantee.*

We have given our undertaking as a Government, and that undertaking has been inherited by a new Government, that those safeguards which have been established by Trades Union action prior to the war will be restored exactly to the position they were when the war is over in so far as the Government is concerned. We can only ask for a suspension of these regulations during the period of the war. Afterwards the same process of discussion will go on between Capital and Labour as has gone on, I have no doubt, during the last fifty or 100 years.

*"No Room for 'Slackers.'"*

The lives of our men at the front depend upon the amount of war material we are able to equip them with. Success depends upon it. Everybody ought to do his

best. There is no room for "slackers." I don't want to get rid of the "slackers." I only want to get rid of their slackness, and we really must. In this war every country is demanding as a matter of right—not as a matter of appeal—from every one of its citizens that he should do his best, and that is one of the problems with which we have to deal in this country. It ought to be established as one of the essential duties of citizenship, that every man should put his whole strength into helping the country through.

"*A Greater Britain.*"

We are engaged in the greatest struggle this country has ever been precipitated into. It is no fault of ours. We sought peace, we asked for peace, we avoided all the paths that led to war, but we should have been for ever dishonoured if we had shirked the conflict when it came. Harried into it, we are there to champion the deepest, the highest, the greatest interest ever committed to the charge of any nation. Let us equip ourselves in such a way that Great Britain through the war will be still great, and when the war is over will be a Greater Britain than ever.

## CHAPTER XIII

### THE APPEAL TO THE WORKSHOP[1] (III)

I HAVE not come here to deliver a speech, but to do business; the two things are not always quite the same. We have met here to discuss the all-important question of supplying our armies in the field with a sufficiency of shot and shell to enable them to face the foe on equal and superior terms. You are representing the great engineering trades of South Wales, and I am very glad that both Capital and Labour are represented. Last week I visited Lancashire to make the same appeal, and I am delighted to tell you that the response was of the most gratifying character.

*Recruiting in South Wales.*

Lancashire and South Wales have both given the most practical demonstration of the patriotic sentiment which fills their hearts in the matter of recruiting. Lancashire, very largely under the leadership of Lord Derby, has turned out a superb army, which has already contributed greatly to the display of heroism which has no example in the history of any land, and of which we read from day to day. As to South Wales, I have just had the figures for Glamorganshire and Monmouthshire. They are really startling when you think that less than a year ago people who did not know us said we were the least military of all nationalities in the Empire. They did not know how we could fight when it was for anything which we really believed in. Glamorganshire has recruited a total of

[1] Speech delivered at Cardiff, June 11th, 1915, on the occasion of a visit to organise the engineering resources of South Wales for the purpose of manufacturing munitions of war.

68,300 up to date. Monmouthshire has recruited a total of 18,668. These two counties together have sent 86,968 men to the various branches of the Army. The population of Glamorganshire is, I should say, about one-fifth of that of London, and yet it has contributed 68,300 men to the Army in the course of the last nine or ten months. That is a proof that it is not necessary for me to spend any time in endeavouring to arouse the patriotic spirit of this corner of the British Empire. It is here. It has already been stirred up. It has given this concrete proof, not merely of its earnestness and sincerity, but of the fact that it realises that the honour and life of the British Empire are at stake in this great struggle.

*Appeal for Support of the Armies.*

My appeal now is of a different character: it is not for more men: it is for support of the men we have sent to the front. Give them every help and enable them to win victory. It is you and men like you in every part of the country who can do it, and you alone.

I have no doubt you are reading very closely your newspaper, with its daily and hourly record of the war. These men we have sent from Glamorganshire and Monmouthshire and other parts of Wales have done their duty with a valour which is almost without example, in the history of even this gallant little country, and they have paid their toll. Many a valley in South Wales has become a valley of the shadows. We are sending more men from Wales as well as from other parts of the country, and they are asking us to give them every support in our power to enable them not merely to win, but to win through if they can with their lives. We want these men not merely to win victory for us, but we want them at the end back home to rejoice with us in the victory which their valour has captured. That is what you, and you alone, can do.

*The Work of the High Explosive.*

Have you studied the problem at the front? It requires no military knowledge or experience to know what

it is. There you have deep trenches with barbed wire in front which you cannot see till you are on top of it. Behind that you have all sorts of concrete and steel emplacements with machine guns, concealed and protected. The problem is to beat down the entrenchments, to knock these emplacements to pieces and throw the machine guns out of position so that the foe cannot use them, tear up the barbed wire so that our men shall have free passage right through to their enemies. That is the problem of high explosives. You can supply them, and if you do, not merely will our men win, but there will be fewer lives lost.

*Give our Men their Chance.*

That is why I have come here. I want to see that these brave fellows get a fair chance. They are not afraid—I need not say that they fear nothing—but do let us give them a fair chance for a fair fight! I have not the faintest doubt if we do that they will do the rest. When they are doing their duty and risking their lives it is a small thing for us even to upset our workshops, disturb our business, and put ourselves to a little discomfort and inconvenience; it is a small thing for us to do compared with what they are doing, and I am asking you to do it.

*Short of Shell.*

We are—I hardly like to use the words—we are short of shell. We want it, we must get it, and you can give it. That is the basis of the business between you and the Minister of Munitions to-day. In France the private workshops, workshops that were making motor-cars, workshops constructing ships, every kind of engineering firm in France, have been turned on for weeks and months to do nothing practically but to produce this very quality of shell that we want—the high explosive shell—and they have done it. Read the story of the last attack by the French. They fired hundreds of thousands of these shells into the German trenches. With what result? That by the time the French marched up the German trenches had been destroyed, the machine-gun emplace-

ments had been overwhelmed, and they marched through the first line and captured it with very little loss of life. I want you to help us to do exactly the same thing for our men.

*Methods of Procedure.*

There are three methods of proceeding in order to do this. The first is that you should set up one, two, or three national factories in this area which shall do nothing but turn out shot and shell for the Army. You might either take over existing works or you might take other premises which for the moment are not in use, but you would have to fill those workshops with machinery in order to enable them to get at their work at once. As you know perfectly well, all the engineering trades throughout the country at the present moment are pretty full up, and in the machinery and tool makers' shops there are far more orders than they can possibly comply with for perhaps weeks or months to come. We cannot wait until new machinery and new lathes have been ordered. If you decide to set up national factories down here we should have to requisition machinery from the various shops throughout the district in order to fill up these particular arsenals. That has been done, I think, in Leeds, and in two or three other centres in Yorkshire.

The second method is a method which they prefer in Lancashire. It is that you should each of you at your workshops apply what tools you have for the purpose of turning out shell. You can see what machinery you have in your shop which will enable you to assist us in this respect. It may very well be, and I think you will find that it will be, the case that in addition to the machinery you have at present you will require to purchase more. You will certainly require gauges. That is the second method, and that is the method which has been adopted in France with great success. It is the method that Lancashire preferred—that is, that each workshop should undertake to turn out as many shells as the machinery capacity it possesses will enable it to do.

The third plan is a plan which combines both. You

would take over, say, two or three works in South Wales and convert them during the war into a kind of National Arsenal. You would equip them with machinery, some of the machinery being taken from other works in South Wales, either voluntarily or under the Defence of the Realm Act. These workshops would be able to finish, perhaps, work which comes from outside, and might be able to turn out the complete shell; but simultaneously with that you would in your workshops be doing the work of which you are capable, so that the two may work side by side. Some of you might find in your workshops, for instance, that the only thing you could do would be to carry the shell up to a certain stage. It might very well be that you have not the machinery available for the purpose of finishing it. Then you might make arrangements with the two or three National Arsenals set up in the district for the purpose of finishing the shell.

*"Time means Lives."*

Those are business propositions you may discuss among yourselves. The only thing I would say to you is that, whatever you do, I hope you will do it quickly. You are business men, and you know the value of time—always valuable, never more valuable than it is now. I have heard it said many times by business men, "Time means money." Time now means lives.

*Equality of Sacrifice.*

The next thing I want to say to you is this. Everybody must contribute to this undertaking. It will not do for some to undertake their share of the responsibility and for others to shirk it. Everyone must do what he can. There are two reasons for that. The first is that we want to produce as much shell as we can possibly get, because the more shell we have the surer and the speedier the victory. We want to turn out so much that when the hour arrives we shall just crash our way through to victory.

The second reason is this. Unless everybody contributes his share, it is not fair to the rest. That has been

put to me very strongly by certain engineering firms whose representatives came to see me in the last few days, and I will tell you what they said. They said: "From the point of view of business, we don't want to turn out shells. We infinitely prefer to go on as we are at present, producing machinery to which we have been accustomed for the last thirty, forty, or fifty years. As a matter of business we do not want to upset our works to produce shells, but, in response to the appeal from the Government on the ground of national need, we are prepared to set everything on one side and to turn the whole of our energy and the whole of our machinery to help you. But (they said) it is not fair to us that, whilst we are doing this, our trade rivals should be taking advantage of us and getting our custom and our work; and therefore we cannot undertake to turn out these shells unless you undertake to see that all in the same conditions as we are do exactly as we are doing." That is fair—perfectly fair. Therefore I gave the undertaking that under the powers of the office created by Parliament, and for which I am responsible, there must be equality of sacrifice and of contributions.

*Moral Value of the Volunteer.*

I do not want to talk about compulsory powers—it is an unpleasant topic. Should you know anyone who is likely to be a shirker, it is just as well you should remind them of the existence of the Defence of the Realm Act. But I would rather they came forward voluntarily. It is a much finer thing to do: it has a moral value in the struggle.

*The Obligations of Voluntary Service.*

I want you to realise what all this means. This country has never waged war like this before. Not only is it the biggest war that the country has ever seen; it is a war which is going to come home more to every household in Britain than any war we have ever been engaged in. There are millions of men who are coming forward to tender their lives. There is not a household in the

land which has not in one form or another made its contribution and taken its risk. In the little place where I live—and it is a very small town, and I do not know that we ever turned out a soldier there before—there is hardly a family now which has not its soldier either at the front or waiting for the summons to go there. What is true of that little town is true of every village and town, great and small, throughout the land. Some one was telling me to-day, " Everybody I meet nowadays is either a soldier or is the parent or brother of a soldier."

Just see what that means ! When this war is over it will be something that will be talked about in every family and on every hearthstone till this generation passes away. Every man and every woman will have their toll of sacrifice. There will be many with their toll of heroism. It will be a topic of conversation, and think how it will fare then with those who had works to-day. They could say :—" When the summons came to us to do what we could to support our troops at the front, we never waited. We turned our works at once to the purpose of producing every shell that our machinery could possibly yield." It will be a matter of pride and of boast, and of legitimate pride and boast, as long as they live, that they so behaved. Yes, but think of the others when the talk goes round of what happened, when somebody will say to them, " When the Government asked you to do your best to support our soldiers, what did you do ? " I should like to know whether he could say :—" I refused. I was not going to upset my works. I was not going to lose my business. I was not going to damage my trade." I defy any man to say that in the years to come without a blush on his face.

*The Flag on the Workshop.*

The appeal which has been made to the manhood of this country is not an appeal for recruits. It is an appeal for work, it is an appeal for skill, it is an appeal for every resource which you can command ; and I ask you, employers and workmen—yes, all classes

—to so respond to the earnest appeal that we make, that you will be able in the years to come to hear this war discussed on your hearthstones without colouring or cowering with shame for any deed that you have perpetrated. That is my appeal. I ask you to help us. You can do it. You can help this country to win the greatest triumph in its history. It is not a triumph for this country merely. Britain has simply gone in to uphold the standard of right, justice, and fair dealing among nations as well as among men—she has gone in for liberty in Europe. That is the battle cry. I am here to ask you to plant the flag on your workshops. Every lathe you possess, recruit it, enlist it. Convert your lathes and your machinery into battalions which will drive the foe from the land which he has tortured and devastated and trampled upon and disgraced, and liberty will be once more enthroned.

*Britain Cannot Turn Back.*

It is a great war, it is a terrible war, but believe me that Britain, having entered upon it, cannot go back without wiping her name from the map of the world as a Great Power.

There was a famous historic personage who once turned back and was converted into a pillar of salt, and tradition in the district says that that fact is responsible for the Dead Sea. Whether that is true or not, believe me, if Britain turns back on this journey and on this task she will become nothing but a "dead sea" among nations. I therefore ask every man in this room and every man outside the room, who has the power and resource, to place both at the disposal of the State in this great hour of peril. Then will yours be a share in the triumph that awaits us.

## CHAPTER XIV

### THE APPEAL TO THE WORKSHOP[1] (IV)

### *"Victory Within Our Grasp."*

THE engineers of Britain, employers and workmen, can win this war. Without them victory is impossible. I want to get that into the minds of every employer, every manager, every foreman, every worker, however humble he be—skilled and unskilled alike—that without their best efforts victory is impossible, that with them victory is within our grasp. I trust to the employers to keep each other up to the mark. I trust to the workers to do the same. We are all on the same raft. If we do not pull together with all our might and muscle we shall be dragged down the stream and Britain—Britain, the greatest Empire in the world and the most beneficent Empire in the world—will find herself swept by the torrent and anchored for ever in a backwater. It is for you to say that we are going to cross the stream triumphantly, and that Britain will be greater and mightier than ever at the end.

#### *Government Work not to be deserted for Shells.*

The question has been put to me whether it is desired that the making of shells should interfere in the slightest degree with the discharge of other contracts that you are working for the Government. My answer, to use a Ministerial phrase, is in the negative. We are only

[1] Speech delivered at Bristol, June 12th, 1915, on the occasion of a visit for the organisation of engineering resources

anxious to utilise the energies which are not already being absorbed in war work for the purpose of increasing the output of shell and other war material.

*Return of Skilled Men from the Colours.*

A second question I have been asked is, whether, in the issue of communications to engineering firms of the country, we have invited them to tell us how many of their men have joined the Colours. In regard to that, we have experienced this difficulty. An effort has been made for some time, owing to the shortage of skilled labour, to induce skilled engineers who have joined the colours to return to their shops, because they can do more good. However valiant they may be, they can do more good in the workshops, turning out munitions of war, than they could do in the trenches, and an effort has been made to gather together the names of those who have joined the various battalions. But the War Office experienced this difficulty. There were many skilled engineers who preferred fighting to working in the shops: they thought it would be a great deal more exciting. They wanted this new experience, they wanted to join their fellows and have a real look at the Germans, and they refused to give their names. They were not in a hurry to come forward. On the other hand, there were a good many men who were just a little tired of drilling without rifles, who found, perhaps, life in camp a little irksome, and who thought they would like a change. Having seen that engineers were wanted, they put down their names as engineers in order to get out. When those heroes turned up at the works they were found to know just as much about engineering as I do. I think now I can say a good deal less, because I have been picking up the trade during the last few days.

So we have issued a circular to the engineering firms asking them to supply us with the names of men who had left them and had recruited. Lord Kitchener has given instructions that those men are to be picked out and that they are to be respectfully invited to return to the works that are turning out munitions of war. In

the case of works that are only doing private work no man would be restored. It is only for the purpose of making material of war that these men will be brought back. The question is, Can they be sure that they will be returned to the works in which they were engaged at the time of enlistment? That depends entirely upon whether the works they were engaged in are helping us to produce munitions. If they are, they will be returned to those works. That disposes of that question.

### "*Pilfering the Workmen.*"

There is another question which has been engaging our thoughts a good deal, that is the difficulty which has arisen in consequence of men being induced in various ways to flit from one works to another. I think the employers themselves are very largely to blame for this. It is not quite playing the game to try and induce men to go from particular works where war material is being manufactured in order to fill up vacancies in other works where Government work is also being done. The consequence of that procedure is an atmosphere of slackness and lack of discipline. It is impossible under these conditions to get the necessary control over works, and without that control you cannot get the maximum output at any works. The question is whether something is going to be done in order to stop that. I have already intimated to the trade union leaders that it will be absolutely necessary to do something in order to terminate that very mischievous method of pilfering men from one works and taking them to another.

### *An Appeal to Trade Unions.*

With regard to scarcity of labour, if the mere order which has been given for restoring men who are in the ranks will not be quite sufficient, you must resort to some other method of increasing your labour supply. I am told that if you had a sufficiency of labour here you could double your output. There is only one other way in which you can increase the labour

supply, and that is by the suspension, during the war, of the regulations which prevent skilled labour being supplemented by female and unskilled labour. It is purely a war measure, but it is essential for the war. I want to impress this upon all our trade union friends. I earnestly appeal to them that during the war they should relax and suspend altogether the strict application of trade union rules with regard to girls and unskilled labour, exactly as they have done in France.

### *"One People."*

We ought to have no party barriers at the present time. This is not the time to talk of convictions which divide us. We have one conviction in common—our country is right and our country, being right, ought to win, and we will do our best to secure the victory.

Conservatives, Unionists, Liberals, Socialists, Syndicalists—we are one people so long as this war lasts. And I appeal to the labour leaders of this district to do their best. It depends more upon them, I am told, in this district, than in any other district, because the word rests with organised labour here whether you are going to turn out double the supply of shells or simply to halve your possibilities. I think I am entitled, speaking not merely on behalf of the Ministry, but on behalf of a united nation, to appeal to everybody to relax every rule and regulation in order to make it possible for us to win a victory for justice and for right. A great Army has been organised, millions have placed themselves freely under a rigid and stern military discipline, and the achievement of Lord Kitchener in that respect is one of the most brilliant in military organisation. Where there are millions of men who have readily of their own accord, without compulsion, merely by an appeal to their instinct of patriotism, placed their lives at the disposal of their country, I think we who are at home, who are facing no dangers, who are not going to confront the horrors of the battlefield, the least we can do is with all our strength, all our skill, all our reserve, to help these brave lads to win.

### *"Someone Behind Them."*

We stand or fall together. It is either the common weal or the common woe, and it depends not merely on those valiant lads who are going to fight our battles in Flanders and the Dardanelles—it depends just as much upon us who are at home, and especially upon those who are working in these great factories which can turn out munitions of war. I want the troops to feel that they are going into action with some one behind them. There is a very fine description in one of the Erckmann-Chatrian tales of the conscripts at the battle of Waterloo. They had been fighting all day, fighting very bravely, as Frenchmen always will. Suddenly in the evening they had a sense that there was nothing behind them. The field was empty; there was no support, and for the first time their hearts failed them. Our fellows are fighting gallantly, and God alone knows what they have to face. When they are told to go forward in the face of the dread machinery of a scientific foe they have never flinched; they never knew any faint-heartedness. Do not let them one day feel that the field behind them is empty, and that there is no support. Let them hear the ring of the forges of Britain and the hammers of the anvil, and then they will say:—"Our fellows are behind us; let us go forward!"

### *"Is Britain Not Worth Fighting For?"*

Our men are fighting a brave people for a great cause. Let us make no mistake. We are fighting a determined enemy; we are fighting a well-prepared enemy; we are fighting an enemy that has been taught in its schools to subordinate everything to the Fatherland. Are Britons less patriots? Is Britain not a country you can love as much as any German can love his Fatherland? I know how a Welshman loves his native hills! You are in the most beautiful country in the world. I have never met a foreigner yet who, when he first sets his eye on this gem in the ocean, is not impressed with its beauty. A land of poets beyond compare, a land of

heroes who have dazzled the world, a land of the men who in thought and action have led humanity along the ascending paths of liberty. Is Britain not worth fighting for? I ask every man, be his function what it may, to use his strength to fight for this beautiful land in the days to come.

### *"The Steel Point Unsheathed."*

But Germany had prepared for war. You have only to study now what has happened. I can see it more and more. The whole organisation of their industry had its steel point directed to war, the great engineering industries so organised that when war came they would be ready; its steel industries, its copper industries, above all its chemical industries ready at a moment's notice to distil poison, subtle, deadly, cruel poison, in order to destroy the enemy with the greatest torture, pain, and anguish. The steel point now has been unsheathed, and you can see it. Britain may not have been ready. Britain means to make up for lost time now.

### *"Fill Our Arsenals!"*

This is not the first time that men of the West have been called upon to fight a great military empire organised for war, ready for war, eager for war, seeking to dominate the world, seeking to establish a military tyranny. It was the men of the West that overthrew the Spanish Armada. I want you to repeat that exploit. You can do it. I want you to fill our arsenals. I want you to fill our wagons with the material that will enable our troops to break through their lines.

You saw what happened at Neuve Chapelle. We rained shot on them and our men got through, but then we had to pause. We want a deluge of Neuve Chapelles. Let them rain for forty days and forty nights without ceasing. The Germans have taught us that lesson. That is why they have been able to succeed to the extent they have done in the East of Europe. It is by incessant strik-

ing, striking, striking. You can only do that by filling up our reserves with plenty of shells and ammunition. Then you will hear the crack of the German steel barrier under the incessant hammering of the British guns. You will hear the cheers of the British infantry as they march through the shattered entrenchments to victory, and in that hour the engineers will know with a thrill that the workshops of Britain have won a lasting triumph for the righteousness that exalteth a nation.

# CHAPTER XV

## THE MUNITIONS BILL [1]

I THINK the best method of leading up to and explaining the reasons for the introduction of this Bill and the nature of its provisions, is to make a statement about the Ministry over which I have the honour to preside. I shall deal as little as possible with the past. I am only concerned with the causes of the shortage in the equipment and material of war in so far as it is necessary to understand them with a view to making that shortage up. That the shortage is serious from the point of view of the standard which has been created by this war is undoubtedly well known. It is certainly known to the enemy—perhaps best of all to the enemy. You cannot confront a hostile army for months without knowing something about the state of its material; therefore you may depend upon it that whatever the condition of our ammunition may be it is just as well known to the Germans as to ourselves.

### *"Preponderance in the Material of War."*

What, however, I would impress upon the country at every opportunity I have is the question of the duration of the war, the toll of life and limb levied by the war, and the amount of exhaustion caused by the war, economic and financial. In order to understand the whole depth of meaning of the problem

[1] Speech delivered in the House of Commons June 23rd, 1915, on the introduction of the Munitions Bill.

we are confronted with, I would also say that ultimate victory or defeat in this war depends upon the supply of munitions which the rival countries can produce, and with which they can equip their armies in the field. That is the cardinal fact of the military situation. When the Germans establish a superiority on a front it is due to a predominance in the material of war. When they are driving the forces of the Allies before them in any quarter of the field it is due to the same cause. When the Allies are making progress in any part of the line it is due to the fact that in that sector of the battlefield the Allies have a predominance of the munitions of war. We have an undoubted superiority in men and in numbers. and I am assured by all who have been at the front that it is not merely a superiority in numbers, but in the quality of the men. Therefore it is purely a question of equipping them with the necessary amount of material to support their valour in the attacks which they make upon the lines of the enemy.

### 8,000,000 *Shells a Month for the Enemy.*

I heard the other day from one very good authority —and this will give the House an idea of the tremendous preparations made by the enemy for this war, and of the expansion which has taken place even since the war —that the Central European Powers are turning out 250,000 shells per day—that is, very nearly 8,000,000 shells per month. The problem of victory for us is how to equal, and how to surpass, that tremendous production. The problem of speedy victory is the accomplish ment of that aim with the least possible waste of time. Any obstacles, any mismanagement, any slackness, any indiscipline, any prejudices which prevent or delay the mobilisation of our resources at the earliest possible moment, postpone victory. The question which in the Ministry of Munitions we have to set ourselves is, Can we achieve that purpose ? I say that we can not merely accomplish the object of equalling the output of the munitions of war turned out by the Germans and the Austrians, but, if we are in earnest, we can surpass it.

*What France has Accomplished.*

The Central Powers have probably attained the limit of their possible output. We have only just crossed the threshold of our possibilities. I have just paid a visit to France, where I had the privilege of meeting the Under-Secretary of State for War, M. Thomas, the man to whose great organising capacity a great deal of the success of the French provision for war is attributable. I am reassured, not merely as to what France is doing, but as to what France can do—and as to what we can do—when I take into account what France has already accomplished. Her most important industrial provinces were in the hands of the enemy. Seventy per cent. of her steel production was in the hands of the enemy. She had mobilised an enormous army, and therefore had withdrawn a very considerable proportion of her population from industry. At best she is not as great an industrial country as ourselves. She is much more an agricultural and pastoral country.

It is true we have certain disadvantages compared with France. She has not the same gigantic Navy to draw upon the engineering establishments of that country. That makes a very great difference. She has more complete command over her labour. That makes an enormous difference, not merely in mobility of labour, but in the readiness with which the workmen can be moved from one centre or establishment to another, and in the discipline which obtains in the workshop.

France had another advantage, that her arsenals in existence at the outbreak of the war corresponded to the magnitude of her huge Army. In addition to that, she had a very great trade with other countries in the production of the equipment of war.

These are the advantages and the disadvantages. Still, knowing these things, and taking them all into account, the service of our engineering resources available for the material of war is undoubtedly greater than that of France, and if we produce within the next few months as much as I anticipate, the Allies will not

merely equal the production of the Central Powers, but will have an overwhelming superiority over the enemy in the material essential to victory.

*Where Germany's Superiority Lay.*

Germany has achieved a temporary preponderance in material. She has done it in two ways. She accumulated great stores before the war; she has mobilised the whole of her industries after the war, having no doubt taken steps before the war to be ready for the mobilisation of the workshops immediately after war was declared. Her preponderance in two or three directions is very notable, and I mention this because it is essential that they should be understood in inviting the assistance of the community to enable us to compete with this formidable enemy. The superiority of the Germans in material was most marked in their heavy guns, in their high explosive shells, in their rifles, and, perhaps most of all, in their machine guns. These have turned out to be probably the most formidable weapons in the war. They have almost superseded the rifle; they have almost rendered the rifle unnecessary.

The difficulty with regard to all these things is that they cannot be improvised in a short time. The machinery for rifles and machine guns takes eight and nine months to construct before you begin to turn out a single rifle or a single machine gun. The Germans did undoubtedly —and one might as well recognise it, because we must learn from the enemy where he can give us a lesson—they did undoubtedly anticipate the character of the war in a way no other Power has done. They realised it was going to be a great trench war, and they had procured an adequate supply of the machinery applicable to those conditions. The professional mind is essentially a very conservative mind, and there are competent soldiers who even to-day assume that this phase is purely a temporary one; that it will not last long, and that we shall go back to the old conditions. I have no doubt much time is lost owing to that obsession. The Germans never harboured that delusion, and were fully prepared to

batter down the deepest trenches of the enemy with heavy guns and high explosives, and to defend their own trenches with machine guns.

### *"To Organise Victory."*

That is the story of the War for ten months. We assumed that victory was our due as a tribute of fate; our problem is to organise victory and not to take it for granted. To do that the whole engineering and chemical resources of this country—nay, of the whole Empire—must be mobilised. When that is done, France and ourselves alone, without Italy or Russia, can overtop the whole of the Teutonic output.

It is a question first of all of materials—material for the shell body, for the fuse, for the cartridge case, and for the explosive. It is very largely a question of machinery, and it is finally, but no less urgently, a question of labour.

All these questions resolve themselves into one of organisation. Of some material we have an abundant supply; some we have to husband very carefully; some we have to take steps to increase the supply of, for otherwise we should be short at a critical hour.

The same thing applies to machinery. We have a vast amount of machinery essential for the production of material of war. But we are short of other machinery equally important. It is the old problem of the bottle neck. It is no use getting, say, fifty parts of the machine ready and finding ourselves stopped by the fifty-first. It is a matter of organisation over the whole field of what is essential for the supply of material of war.

### *The Old Plan.*

The plan on which we have proceeded until recently I explained in April. We recognised that the arsenals then in existence were quite inadequate to supply the new army, or even the old army, taking into account the rate at which ammunition was being expended. We had to utilise new sources of supply, and the War

Office were of opinion that the best method was to work through the existing firms so as to have expert control and direction over companies and workshops which up to that time had no experience in turning out shells, guns and ammunition.

There was a great deal to be said for it. There was a difficulty, unless something of that kind was done, in mobilising all the resources at the disposal of the State. The total Army estimates in the year of peace were twenty-eight millions. They suddenly became 700 millions. All that represents not merely twenty-five times as much money; it means twenty or twenty-five times as much work, and more than that. It has to be done under pressure, and the work which in a business takes years to build up and develop and strengthen and improve, has to be done in five, six, seven, or eight months. So the War Office came to the conclusion that the best way was to utilise the skill of existing firms which were capable of doing this work.

The War Office staff are hard-working, capable men, but there are not enough of them; and another consideration cannot be left out of account: Men who are quite equal to running a long-established business on long-established lines may not always be adequate to the task of organising and administering a business thirty times its size on novel and original lines. To be quite candid, the organising firms, the armament firms, were also inadequate to the gigantic task cast on them of not merely organising their own work but of developing the resources of the country outside. They could not command the stock, and sub-contracting has undoubtedly been a failure.

*Advantages of the New System.*

I will just give one or two illustrations to what extent the process of sub-contracting fail velop the whole strength and resources of munity. In one district that I lately visited, w contracting was producing something like 10,( a month, the new scheme has only been in fo

days and we have already placed with responsible firms orders for 150,000 shells a month. In a very short time I am confident it will be a quarter of a million or 300,000. It is a process of inviting business men to organise themselves and to assist us to develop the resources of their districts. They have local knowledge, they have skill, and they are on the spot. It saves a good deal of time in travelling to and from London, in interviews, and in correspondence, which is the worst way of doing business.

*London another Woolwich Arsenal.*

To take London. London at first sight does not strike one as a place where you can turn out a great quantity of war material; but London really has an infinite variety of small shops doing some of the finest work. This fine work is the most difficult work of all. I have in my hand the fuse of a high explosive shell. It is not nearly so complicated as the fuse of shrapnel, which is one of the most complicated pieces of machinery—until it explodes! The high explosive fuse is supposed to be simple, but it takes one hundred different gauges to turn it out.

This is one of the difficulties in the turning out of shells. You can get many firms to drill out the steel parts; but there are comparatively few firms who are doing this kind of work. That is exactly where London has come to the rescue. We organised this area with the assistance of local business men who have come forward, who have assured me, and wish me to assure the House, that in a very short time London will be another Woolwich Arsenal. They will be able to turn out prodigious quantities not merely of shells, but what gives us far greater anxiety, those particular parts of the shell which firms cannot supply in other parts of the country.

*Principles Governing the Department.*

There are three or four principles which we have laid down in attempting to organise this new Department.

In the first place, in order to cope with the difficulties of organising in a few weeks what business men generally take years to build up, you must have the aid of some of the best business brains available in the country. The second point is that failure often comes in these matters from the inability to allocate to the expert and the organiser their proper functions. The organiser need not necessarily be an expert, and the expert is very rarely an organiser. At least the best expert is rarely the best organiser. The business of the organiser is to make the best use of the expert brain. The organiser is the captain and the expert is the pilot. The next principle is, that once you take on a number of first class business men to assist you you must give full scope to their energies, and you must trust them. You cannot work them in blinkers and fetters.

We have found it necessary to secure adequate office accommodation where those engaged will not be in each other's way, and where business men coming up to town to consult the heads of Departments shall have an opportunity of conducting their business without losing time. That is very much more important than appears at first sight. We have been able to get hold of a very useful building. Our first effort was to make that building ready in as short a time as possible, and this has been a very great achievement considering the difficulties of the labour market. All that is vital to the success of organisation, responsible as it is for the leakage of time, for friction and delay.

I should like to make this appeal to the business community. It takes some time to organise what is practically a new Department. We cannot get into working order immediately, and there might very well be cases during the first few days, perhaps during the first few weeks, where business is not attended to as promptly as you would expect of a Department fully organised and where everything is going well. I hope the business community will extend indulgence to the new Department in that respect. We will do our very best to improve as the days go on.

*"Progress is Being Made."*

We have secured the aid of a very large number of business men. Many business men are engaged in organising and directing their own business, business which is just as essential to the State in a period of war as even the organisation of this office; but still there are the services of many able business men which are available, and we propose to utilise them to the full. When you have a number of strong men who have been in the habit of directing their own business there is always the danger of their getting in each other's way, so that the energy of the one rather neutralises the other. Therefore our method has been to give each man his task. One man is looking after metals, another after explosives, another after machinery, another after guns, another after local organisation, another after labour, another after chemicals, and so on; and I am very glad to be able to say that in each of these departments real progress is being made, in spite of the short time during which we have been occupied in this work of reorganisation.

*Decentralisation.*

But no staff, however able, could adequately cope from the centre with the gigantic and novel character of the operations which must be put through during the next few weeks if the country is to be saved. We have therefore decided to organise the country into districts. Up to the present we have divided the country into ten munition areas. Each of these munition areas we have placed under a committee of management of local business men, with local knowledge; and at an appropriate centre in each of these areas there will be officers of the Ministry of Munitions attached to headquarters where specifications, samples, and so forth will be available. Wherever I went, one of the first things business men said to me was, "Tell us what you want us to do! We are all willing; we are all eager. It is not a question of there being any sort of delay, as far as we are concerned. It is not a question of our

[illegible] disinclination to place our workshops at your [illegible] it we want to know exactly what it is you are [illegible] do." The demand for specifications, samples, [illegible]ch is a demand which comes from every part [illegible]ntry, and we are doing our best to supply it.

It is too often forgotten that shell making, and the making of machine guns, or parts of machine guns, is an absolutely new business to the vast majority of these people. British engineers can adapt themselves as rapidly as the engineers of any other country to any new work, but they cannot do it without seeing it and without getting full specifications. Every opportunity has been given them to go through any Government arsenal or through the arsenal of the Elswick Works, of Vickers' and Maxims', of Beardmore's, and the rest, where they can see for themselves; but they naturally want these things in their own districts where they can go and, without any waste of time, see for themselves what it is the Government are asking them to do. Associated with the Local Committee there will be an expert engineer, whose business it will be to help the Local Committee in the surrounding districts, and a general organising secretary. Representatives of the War Office and the Admiralty will be associated with each of these centres, which will act as a clearing house for the work, for labour, and for information. They could assist in dealing with local difficulties and could advise and help generally.

We feel confident that we can rely upon the patriotic co-operation of the chief leaders of our engineering industry, capital and labour, in the organisation of the country upon these lines. I am relying very considerably upon the decentralisation which I have outlined. There is no time to organise a Central Department which would be sufficiently strong and which would be sufficiently well equipped to make the most of the resources of each district. It cannot be done, and therefore there is only one possible way of doing it in a short time. Time counts materially; all the time which is lost is full of possibilities of disasters, and there is only one

way of organising the resources of the country efficiently within the time at our disposal—and that is that each district should undertake to do the work for itself, and that we should place at their disposal everything that a Government can in the way of expert advice and in the way of material. But we must rely upon the great business men of each locality to do the organisation in those districts for themselves, and they are doing it.

*Mobilising Raw Material.*

I should like to point out two or three of the difficulties, in order to show the steps which are being taken to overcome them. The first difficulty, of course, is that of materials. With regard to this question, I think that it might be necessary ultimately for us to take complete control of the metal market, so that available material should not be wasted on non-essential work. To a certain extent we have done that. A good deal of work has been done already during the last few weeks. There is a very able man at the head of the metals department. He has been working hard, and he has achieved very notable results in the way of mobilising our raw material. I cannot attach too high a degree of importance to the Ministry being regularly and accurately informed of the stocks of raw or semi-manufactured metal in this country. Such information is essential if we are, with any degree of accuracy, to follow the past, present, and future output of materials and manufacture. With this object in view the Department will ask for monthly returns from all concerned.

I must call attention also to another point in this respect. I am sorry to say that there are indications of there being a holding up of supplies in certain quarters for higher prices, and this is causing serious delay. Attention has been drawn to the tendency on the part of various contractors to delay the delivery of old and running contracts, apparently with the object of using the necessity of the moment to secure better prices. Those practices must, in the vital interests of the nation, be brought to an end because, if there is a shortage of

material in any one particular the whole business of producing the necessary output stops. Therefore it is very much too serious for any practice of that kind.

I should like to say a word with regard to raw material for explosives. We are building new factories so that the expansion of explosives shall keep pace with that of shells, and in this respect, again, I should like to dwell upon the importance of keeping up our coal supplies in this country. It is the basis of all our high explosives, and, if there were a shortage for any reason, the consequences would be very calamitous. I do not think that I am putting the case high enough. It is not merely a question of there being a diminution in the present output. It is important that there should be an increase, that there should be a considerable increase, in the output of the particular quality of coal which is used for the purpose of making high explosives.

*Machinery.*

I now come to machinery. There is a good deal of machinery in this country which is useful for the purpose of turning out shells and other material and equipment for war. The Home Office had secured returns from most of the engineering firms in this country as to the machinery which they have at the present moment in their workshops and yards, and as soon as I came to this office my Right Hon. Friend the Home Secretary was good enough to place the whole of these returns at my disposal, and very valuable they are. Naturally they were not prepared by experts in shell making, and therefore more information was required for the purpose of enabling us to discover what the existing resources of the country are, with the object of expanding our sources of supply. We sent out for further information. I am glad to say that the returns are coming in in a way I have never seen returns come in before. They are coming in promptly and without loss of time—they are, in fact, crowding in—and from these returns we are getting information which will enable us to mobilise more systematically the output

of war material in this country the moment they are analysed and classified. Some of the machinery is useful for making shells of certain kinds. Some is useful for making shells of the larger kind. Some is useful for guns, some for rifles, and some for machine guns. But we want to know where these machines are before we can possibly come to a conclusion as to what is the best use we can make of them. I hope in the course of a few days, when these returns have been carefully analysed and classified, I shall be in a position to know better than I do now what is the possible output of this country.

*Labour Shortage.*

I have referred up to the present to the development of new sources of supply, and, of course, it is upon these that we must depend for that overwhelming production of war material which is essential in order to secure victory. But that takes time. We are using firms who are quite inexpert in this particular kind of work. It might take them weeks or even months, and it will certainly be months before we attain anything like the maximum output of which this country is capable. We can increase the output, but we cannot attain the maximum for months. What happens in the meantime is entirely a question of labour, and I want to emphasise that very specially. The existing firms are not delivering their goods up to promise. Had they done so the position would have been a very satisfactory one. Why are they not doing so? This brings me straight to the Bill I am introducing to-day. They have machines which they cannot man. We are short of machine guns. The machine guns are not delivered according to contract, and yet if I could place my hands upon adequate supplies of skilled workmen the supply could be doubled in a few days. That is of the most serious consequence to our men at the front. Most of the slaughter is caused by these terrible little machines. What the next move of the Germans will be it is not for me to forecast. But if it is to attack our forces, to swing round from the

East and to concentrate on our forces in the West, it is vital to the life of our men, vital in order to maintain their position, that every available machine gun that can be produced shall be turned out and sent out. Our men can defend themselves. No men in the world can do so better than they can, but they can do it with less loss of life, and they can do it more effectively, if they are supplied with an adequate number of machine guns to enable them to protect their front. It is in the power of skilled labour in this country to supply those machine guns within the next few weeks.

There is a case concerning a firm in the Midlands which is manufacturing machine guns. They could have increased their supply enormously if they could only set up the machinery which they have now lying idle in their storehouses—machinery which takes months to turn out. There it is lying idle, and why ? They cannot find seventy-five millwrights to enable them to put up the machinery. I could give other cases which have been supplied to me where the work has been stopped because the firms cannot find the necessary number of skilled hands for the purpose of attending to this machinery.

*Unskilled Labour.*

The first step in order to increase our output in the interval, before we can expand our new sources of supply, is to secure the necessary skilled labour in order to fill up the workshops which have plenty of machinery at the present moment. The next step is that such skilled labour as we have—it is quite inadequate in numbers —should be eked out as much as possible by unskilled labour. There is a good deal of work which can be done by unskilled labour if you have skilled men looking after it. I was told by a firm at Bristol, which was undertaking to turn out shells, that if they were allowed to use unskilled labour, they could double their output, because they could then have a night shift, and could use exactly the same machinery. It happens very often that there is not enough skilled labour to utilise the machinery

except during the day. In that case it was almost impossible to get skilled labour, because there had been very heavy recruiting amongst the men in that district, and most of them had gone to the Wessex division. That Bristol firm was entirely dependent either on getting skilled work from other parts of the country—and where they could get it I do not know—or on utilising the labour of unskilled men and women. In France a vast amount of work in the way of turning out shells, and especially the delicate work of fuse-making, is done by female labour. Filling shells is done here to a great extent by such labour.

*Trade Unions Restrictions to be Suspended.*

The third problem is that the labour in the yards should put forward its best. Sometimes we do not get the best in the yards through the slackness of a minority. Sometimes we do not get the best in the yards through regulations, useful and perhaps essential in times of peace, for the protection of men against undue pressure and undue strain, but which, in times of war, have the effect of restricting the output. If those regulations are withdrawn, no doubt it increases the strain on the men, and, in a long course of years, men could not stand it. That is probably why these rules have been introduced by the trade unions, for the protection of the strength of the men so that it shall not be unduly exhausted. But in time of war everybody is working at full strength, and, therefore, it is important—it is difficult to exaggerate the importance of it—that restrictions that have the effect of depressing and diminishing the output of war material should temporarily be suspended.

I have had a good deal of evidence of that. I have the evidence of a very reliable witness, who assures me from his experience that, in some workshops, the output could be doubled if these restrictions were withdrawn. Some of them are written, but the most difficult to deal with are unwritten. The written ones are regulations with regard to not allowing unskilled men to work by the side of skilled men, not allowing unskilled labour

to take work which up to the present has been occupying skilled labour, and not allowing one man to attend to more than one machine. These are the written regulations, and I have no doubt that each and all of them have a foundation on some sort of necessity for the protection of labour against undue claims upon its strength in normal cases.

But the most devastating regulations are those which are not written, those which limit the output by making it impossible for a man to put forth the whole of his strength without bringing upon himself the displeasure of his fellows. It is very difficult to talk about such cases. If you are asked to put forward the cases, the men who supplied that information do not care to make themselves unpopular. But I have a letter, a very able letter, from an unskilled but educated man, who felt that it was his duty to do something for the State in this great crisis, and who applied for a job in a workshop where shells are turned out. The letter he writes me is a rather distressing one. He tells me that there is nothing in shell making that a fairly intelligent man cannot learn in a very short time. It is not highly skilled work. He applied himself to learning some particular branch of the work, and he asked one of the workmen to teach him. The workman very readily placed his services at his disposal, but was instantly ordered off. He was not allowed to learn that trade, and at last he took some sort of employment in the works where he did not come into contravention with the regulations.

The worst thing of all, he tells me, is that there is undoubtedly amongst a section of the men in a piece-work establishment a deliberate discouragement of what they regard as turning out too much work, which might have the effect of calling for a revision of prices. There is no doubt at all as to the meaning of it. The meaning of it is this—and employers are, I think, very largely to blame for it—that if a man works his utmost in turning out this work, then the employer says, "You earn £10 a week; that is monstrous." If all the men did the same, they would revise the scale of wages, and cut

down piece-work; so the men, for their own protection, say, "We cannot do that, because the more we work the less our wages are." There are two sides to this question. We have a guarantee from the employers that no advantage will be taken of any relaxation of trade union practice in this respect, and that if the men, by putting the whole of their strength into their work, earn large wages there shall be no revision of the rate of piece-work. On the other hand we must appeal to the men, for the sake of their country in a time of dire necessity, dire peril, to put the whole of their strength into their work to help their fellows in the field and to give them a good chance. We ask them to put forth the whole of their strength without any regard to the practices of the past, relying upon the honour of a great nation that it will see fair play for them at the end of the war.

This is so important. It is diminishing the output. It is keeping the output down. We could increase enormously some of the most important work which is turned out now if we have a frank abandonment, during the time of war, of all regulations, customs, and practices which have the effect of restricting output.

The suspension of mere written regulations you could get, perhaps, in an Act of Parliament, or perhaps in an agreement in writing with trade unions; but, so far as the second and more important branch is concerned, the nation has only one thing to do—that is, to cast itself upon the honour of the skilled workmen of this country; and I am perfectly certain they will not do so in vain.

The third point is the prevention of a practice which has done more to destroy discipline in the yards than almost anything—that is the practice of employers in pilfering each other's men. It is absolutely impossible to obtain any discipline or control over men if a man who may be either slack or disobedient to a reasonable order is able to walk out at the moment, go to works which are only just five or ten minutes off, and be welcomed with open arms without any questions being asked. That must be stopped. It is a practice for which the employers are responsible far more than the men. It is proposed

that employers shall not take men from other yards without certificates as to why they left those yards.

*Strikes and Lock-outs.*

The fourth point is that the danger of having stoppages of work by means of strikes and lock-outs ought to be removed during the time of the war. I should have liked to see strikes and lock-outs during the war made impossible in any trade, and I do not despair of getting the assent of those who object to compulsory arbitration under normal conditions to a temporary application of that principle during the period of the war. Those who are responsible for turning out munitions of war have assented to this proposition. I wish we could have got the miners and the cotton operatives and others to do the same. But I say quite openly to them that, so far as I am concerned, unless they can see their way and if they think the present methods are methods to which they would rather adhere, I certainly think it would be inadvisable to enter into any conflict with them at the present stage, when they are doing their very best and when, whatever anyone may say, the way in which the miners have come forward to enlist in our Armies voluntarily is one of the most conspicuous exhibitions of patriotic sacrifice that has been shown by almost any trade in the country. I believe that about 224,000 of them are enrolled in our Armies at the present day, and I was told by men whom I have seen at the front that no men have exhibited more desperate valour under trying conditions than the miners who have come from different parts of the country. I hope that at their meetings, which I understand are taking place to-day and to-morrow, they may see their way to fall in with the rest of the trade unions.

With regard to the workers on munitions, I have had several interviews with the leaders of the trade unions of the most satisfactory character, and it would not be fair if I were not to recognise, on behalf of the Government, the patriotism with which they have responded to the appeal which has been made to them to do their

best to assist the Government in tiding the country over this great war. We have arrived at a substantial agreement as to the conditions which would be acceptable to them as well as to us. The first is, so far as the munition workers are concerned—and this extends to the dockers—that there should be no strikes or lock-outs, but, should there be any dispute, it must be referred for arbitration to certain bodies which were indicated in the Treasury Agreement of March of this year. I understand that that agreement has been submitted to the engineers of this Kingdom, and that by a substantial majority they have adopted its provisions. Those provisions we propose to incorporate in this Bill, so far as strikes and lock-outs are concerned.

*Release from the Colours.*

The second provision is with regard to securing an adequate supply where there is a deficiency of skilled labour. The first step we are taking is to get as many skilled men as we can back from the ranks of the Army. A very large number of men who are skilled engineers were recruited, especially in the early stages of the war. The War Office have found it most difficult to get them back. About nine or ten days ago we sent out a circular to all engineering firms in this Kingdom, asking them to supply us with the names of the men who had left them and enlisted, and, so far as they could, to supply us with the names of the units they had joined. Now we have the names of the men, and we are taking steps to get them out of their battalions, with the assistance of the War Office, if they are in this country.

*Munition Volunteers.*

The next step is one in which the trade unions are concerned. We had a very frank discussion between the leaders of the trade unions and myself, and I was bound to point out that if there were an inadequate supply of labour for the purpose of turning out the munitions of war which are necessary for the safety

of the country, compulsion would be inevitable. They put forward as an alternative that the Government should give them the chance of supplying that number of men. They said, " Give us seven days, and if in seven days we cannot get the men we will admit that our case is considerably weakened." They asked us to place the whole machinery of Government at their disposal, because they had not the organisation to enlist the number required. We have arranged terms upon which the men are to be enlisted, and to-morrow morning the seven days begin. We invite the assistance of everybody to endeavour to secure as many volunteers as they possibly can—men who are not engaged upon Government work now and skilled men—to enrol themselves in this trade union army for the purpose of going anywhere the Government invites them to go to assist in turning out munitions of war.

If there are any hon. Friends of mine who are opposed to compulsion, the most effective service they can render to voluntaryism is to make this army a success. If we succeed by these means, if within seven days we secure the labour, then the need for industrial compulsion will to that extent have been taken away. I sincerely hope we shall succeed.

If you have a voluntary army there must be a means of enforcing contracts. It is no use having 20,000 or 30,000 men who say, " We will go anywhere we are told," if, when the time comes, they refuse and you cannot compel them. They volunteer to enter into this contract, but once they enter into it it is a contract and it must be enforceable, and we take power in the Bill to enforce the contract. The other point of the Bill is that we take power to establish discipline in the workshops. Here, again, we discussed this matter with the trade union representatives, and we are not going beyond the agreement we have entered into. They admit that where men habitually absent themselves and make bad time when they know that the work is very urgent for the country, there ought to be some means of enforcing better time. It is proposed that there should be a Muni-

tions Court set up with an employer and a trade union representative sitting upon it as assessors, and a president appointed by the Government. They will decide in these cases where a man has a reasonable excuse for absenting himself, habitually, and they will have the power of inflicting a penalty. In the case also of employers withholding certificates from men who leave their yards, this Court will decide the question whether it is reasonable or not.

*Limitation of Profits.*

Now I come to the point where the trade unions insisted, and I think properly insisted, on their share of the bargain. They said, workmen are quite willing to work for the State, to put their whole strength and to suspend their trade union regulations, as long as they know that the work is of advantage to the country. But the objection in their minds always is that they are suspending trade union regulations important to them in order to increase the profits of individual employers. That they will not assent to, and they say, as a condition of all the other provisions to which they have given their assent, there must be a Clause in the Bill which will limit the profits of those establishments which are working for the State, and that the provisions which I have enumerated only apply to establishments where the profits are limited. It means practically that the State assumes control of the profits of those establishments, and that whatever suspension of regulations takes place it will be entirely for the benefit of the State and not of the individual employer. Upon those conditions the trades union leaders are prepared to accept the suggestions which I have already named.

*American Contracts.*

I meant to say one word about American contracts. I felt, in consequence of the great importance of the American and Canadian markets and of the innumerable offers which I have received, directly and indirectly, to provide munitions of war from Canada and the

United States of America, it was very desirable that I should have someone there who, without the loss of time which must necessarily take place when all your business is transacted by means of cable, should be able to represent the Munitions Department in the transaction of business there and find out exactly the position. I propose to send over to America, on behalf of the Munitions Department, Mr. D. A. Thomas, for the purpose of assisting us in developing the American market. He will represent and exercise the functions of the Munitions Department, both in Canada and in the United States, and he will be given the fullest authority to discharge the responsible duties with which he is entrusted. Mr. Thomas will co-operate with the representatives of the Government, both in Canada and the United States of America. There is not the slightest idea of superseding our existing agencies there. They have worked admirably. They have saved this country, I believe, millions of money. They have enabled us to develop the resources of that great Continent for the purpose of aiding us in a way which would have been quite impossible without their valuable assistance. While invested with full powers Mr. Thomas will, no doubt, act in consultation with the authorities at home, except in cases of special urgency.

*Co-operation with France.*

I have also had the privilege of meeting the representative of the French War Office, and we have developed still further measures for co-operation between the two countries, in respect of the output of munitions of war. There are many things France can do for us, and there are many things that we can do for France, but working together we can very largely increase the output of both countries.

*Germany's Deception.*

The problem of victory is a problem of mobilising our resources for the purpose of increasing the material of war. What was the condition of things with which

we were confronted at the beginning of the war? Germany had been preparing for years. She had been preparing in a direction which we hardly suspected. We were naturally anxious lest she was making secret preparations to strengthen her navy and to develop a surprise attack upon us. I think, on the whole, there is nothing that she has done for her navy that had not been anticipated. There has been no surprise in the turning out of any expedient of war which had not been foreseen so far as the Navy was concerned. The strength developed by submarines has been a surprise to us, but the number and the fact that they possessed them was known.

That is not the case with her army. I called attention in 1913 to the fact that in my judgment Germany was concentrating upon developing the strength of her army and not of her navy, and I was strongly criticised because I ventured to do it.

What has happened? Germany had undoubtedly been preparing. She had been piling up materials. Until she was ready she was on the best terms with everyone. We all recollect the great Balkan crisis. Nothing could have been friendlier than the attitude of Germany. Nothing could have been more retiring, more modest or more unpretentious. It was always "After you!" She did not want to push herself to the front at all. She had a benevolent smile for France. She treated Russia as a friend and a brother. She smoothed down all the susceptibilities of Austria. She walked arm-in-arm with Great Britain through the Chancelleries of Europe, and we thought that at last the era of peace and goodwill had dawned. At that very moment she was forging and hiding up immense accumulations of war stores to take her neighbours unawares and murder them in their sleep.

*Britain's Task.*

If this kind of trickery amongst nations succeeds, all the basis of international goodwill crumbles to the dust. It is essential for the peace of the world that it should

fail. It depends more on Britain than anyone that it should fail. One of the pillars of good government is the security that evil-doing shall be punished. It is equally true in the sphere of international government. Valour alone will not achieve that end, otherwise our great Army would have accomplished it. It is not enough that 3,000,000 young men have offered their lives to their country. It depends upon us at home to support them with skill, with strength, and with every resource of machinery and organisation at our disposal, so as to drive the conviction into the heart of nations for all time to come that Governments who deceive their neighbours and seek to compass their ruin do so at their peril.

# CHAPTER XVI

## "PEACE AT HOME"[1]

I CONGRATULATE all those who are interested in the coalfield. I congratulate the community, and I congratulate the Empire upon the fact that we have arrived at a satisfactory settlement of this terrible dispute. Personally I hate a quarrel—at least I can say I enter into quarrels very reluctantly, although you appear hardly to believe it. But at any rate, of this I am certain—that of all quarrels that would be distasteful to me, the most distasteful would be a quarrel with my own flesh and blood, because I have so many friends in the minefield of South Wales, and throughout what is a fairly long political career I never had better, sturdier, or more reliable friends than those who live and labour in these valleys of South Wales.

To me it was a grief—I can say more to you; to me the mere thought was a horror—that I should have to take part in a struggle with my best friends and with men who have the same blood coursing through their hearts as I have. It is a source of joy to me, a joy beyond any words which I can give you, that I am going back having shaken hands with my fellow-workmen in the South Wales minefield. I am glad in my heart; but, apart from that personal aspect, I am glad for other reasons.

[1] Speech delivered at Park Hotel, Cardiff, July 21st, 1915, to delegates of the South Wales Miners, on conclusion of the Coal Strike.

*Tremendous Issues.*

We are engaged in the most colossal struggle any country ever took part in. It is only gradually dawning upon our minds what a tremendous struggle it is. I am not sure that it is realised even now how tremendous the issues are, what will be the effect upon the whole course of human affairs, what the influence of the decision of this great struggle will be upon matters which are vital to you, to me, to our sons, and our sons' sons for untold generations. And it is because I realise what anything in the nature of a quarrel among ourselves means while we need all our strength, all our energy and all our enthusiasm for the purpose of fighting the common foe—it is because I realise all that, that I rejoice not merely as a Welshman, but as a Briton, that we shall be able now, not to face each other, but to stand in line to face the foe.

*An Effort for the Sake of France.*

I am not going to refer to the past. Let it be buried in the deepest pit you have in South Wales; flood it, if you can; out of sight let it be. Let us work together. But on behalf of the Government I am going to ask you to make up for lost time. I am going to ask you to do so for two or three reasons.

A week has gone. It is a week of enormous value for this country. In this harbour you have now five ships from France, which have been lying waiting to have their bunkers filled with Welsh coal to help the valiant troops of our great Ally. What has happened to France? The bulk of her coalfields are in the hands of the enemy. France depends upon you for coal. There is no land on earth that has done more for democracy than she has. The most fruitful vines of liberty grew upon French soil. But the vineyards that produced them have been watered with the blood of her sons, and this land is now begging you—begging you with empty bunkers in the harbour of Cardiff—to send coal to speed a few more of her valiant children to the battlefields to fight against the oppressor.

I beg you to help them. Do your best, as much as is in you, to make up for lost time, and show the democracy of France, at any rate, that you are prepared to assist them in the common struggle for the freedom of the world.

*For the Sake of the Navy.*

I want you to do this, too, for the sake of the British Navy which defends our shores—the Navy that makes it impossible for the ruthless German to trample our coalfields and cornfields as they are trampling those of France. Fill the bunkers. It means defence; it means protection; it means an inviolable Britain; it means that Britain, through your help, can still defy the most potent enemy in the world. And it depends upon you to help the British Navy to defend our shores.

*For the Sake of Brave Men.*

Upon the coal you turn out depends the steel, the explosive, the material that helps our men to meet the enemy on fairly equal terms. You need no certificate of patriotism in the Welsh Valleys. Major Lucas told me this morning that 56,000 men had already been enrolled in Glamorganshire. And how well they have fought! Did you read in yesterday's paper that tale of doughty deeds by the Welsh Fusiliers, whose motto, "Gwell angau na chwilydd" (Better death than dishonour) has been written in blood on the battlefields of France? I envy the nerve, but not the heart, of the man who can read that story without a sob of pride. It is a great story, but do not forget they are asking you and me and everybody at home to help them to fight with a fair chance. That depends upon us. Shell, shot, cannon, machine guns, rifles—the enemy has them. Give these gallant comrades of ours a chance to face them with equal equipment! Peace at home is essential to victory abroad.

*Valour Against System.*

We have just been driving past the ruins of Caerphilly Castle, grand in its ruins. It has a lesson for us. Why did the men who built that castle conquer the valleys?

Not because of their greater valour. No race ever fought with greater daring, with greater bravery, than did our ancestors who came down from the hills to fight against the tyranny of the Norman. Their heedless bravery was as a reckless mountain cataract. Their patriotism was intense. But on the other side was system, organisation, training, persistence, concentration, unity of purpose, and they trampled our liberties under the iron heel. Do not let us forget the lesson of the Caerphilly ruin. There is plenty of valour in this land still. We have plenty of courage, plenty of patriotism. We want the system, we want the unity, we want the common action, we want the common purpose; and when that is done we will have castles of freedom that no enemy can impair.

*Gravity of the Position.*

I am sick at heart at having constantly to call attention to the gravity of the position. I have done it for months, and even my friends get angry. I am sorry. I have done what I conceive to be my duty, and it would be a poor reward for me to be able to say, "Well, I told you so months ago." The situation is sufficiently serious to call for the united, concentrated, and entire action and strength of every man and woman throughout the whole of this land.

We have sent these men to the front. Support them. See that we are behind them, and if you do so, you in the valleys here, if the engineers throughout Great Britain, the politicians, those who work and strive in every sphere, will do so, we shall win a victory for European liberty which shall resound throughout the ages of the world.

# CHAPTER XVII

## THE WORK OF THE MUNITIONS DEPARTMENT [1]

THE time is not ripe for making anything in the nature of a full statement. I am not referring merely to the past, but to schemes for the future. It is impossible to give anything like an adequate idea of what has been, or what is being, or what is about to be accomplished. Naturally there is some most important work which we are undertaking and which at the present time it would be highly imprudent to say anything about in its details. Therefore, any announcement which I make must, by limits of prudence, be restricted very considerably.

In regard to the organisation of an office, it is a very old question as to whether it is not better to build an absolutely new house than to engage in very large extensions of the old one. That is one of the difficulties which we have experienced. We have had to take over a part of the organisation, and a portion of that part, and I am not sure whether it would not have been almost easier to have set up a completely new organisation. That was impossible, so we had to get experienced men who had been engaged in the work, and who knew a good deal about the details of work which had been accomplished.

### *Creating an Emergency Staff.*

I give some indication as to the very considerable character of the work which had to be undertaken when

[1] Speech delivered in the House of Commons, Wednesday, 28th July 1915, on the Progress of the Work of the Munitions Department.

I say that we have had to more than double the size of the staff which was occupied with the work we are now undertaking. In fact, we have practically had to create a new staff. That is a very difficult undertaking if it has to be done immediately, because obviously everything depends upon the men you select. Under ordinary conditions, you would take a very long time to choose your instruments. You cannot do that when you are engaged in emergency work. Fortunately, we have had placed at our disposal the services of very considerable men in the business world—men of wide experience, some of them men who are in charge of very considerable undertakings. I think I can say that there are at least ninety men of first-class business experience who have placed their services voluntarily at the disposal of the Ministry of Munitions, the vast majority of them without any remuneration at all. They are rendering excellent service, each in his own department. Some of them were managers of very great concerns, and the firms with which they are connected are in most, if not in all, cases paying them salaries which the State could not afford to pay. These men are exceedingly helpful. In fact, without their help, it would have been quite impossible to have improvised a great Department on the scale on which this Department necessarily had to be organised.

*Speeding Up the Existing Contracts.*

The work which has been done has been of a twofold character. It has consisted in speeding-up existing contracts, and also in opening up fresh sources of supply. Opening up new sources of supply simply meant the provision of war material some months hence, because if you set up new machinery and new works, even with the greatest expedition in the world, you cannot hope to get any substantial output out of those works for some weeks or even some months. Therefore, the immediate supply of material depended upon our taking steps to facilitate, expedite, and speed up the work of those who had undertaken contracts and who had machinery for the purpose.

They were all—I think I can say all—deplorably behind contract time. More work had been allocated to them than they were capable of digesting under the conditions. It was due to two reasons: first of all, the shortage of machinery, and, in the next place, the shortage of labour.

*Shortage of Labour.*

With regard to the second, there has been a clamour everywhere for more labour. I will give an indication of the extent to which we have suffered for this reason. There were some machines in the armament works lying idle because there was no labour to work them. In addition to that, about three-quarters or four-fifths of the machines were not working full time at their full capacity.

We had a census of all the machinery in the Kingdom, and we found that only one-fifth of the machinery employed on Government work was used for night shifts, so that if we had been able to raise two or three shifts for the purpose of working these machines it would have increased enormously the output in existing armament firms with machinery and organisation ready. That was the first task to which we devoted ourselves at the Munition Ministry. I am very glad to say we have been able to assist those firms considerably, either through the direct agency of the Ministry of Munitions or through the most helpful co-operation of the Labour Exchanges. We have succeeded during the past month in adding to the labour available in the works connected with armaments in the country 40,000 men and women, nearly half of them skilled men, and we are still pouring in fresh labour supplies for the purpose not merely of filling up the machinery which has been lying idle, but, in addition to that, enabling them to increase the number of night shifts. This has had a great effect in expediting the output of these firms, and although the yawning chasm between promise and performance has not been altogether bridged, I should say that the number of arches has been considerably increased, and we hope

at no distant date to bring the two, at any rate, within crossing distance.

*Munition Volunteers.*

No doubt the House would like to know something about the munition volunteers who have been organised. As far as numbers are concerned, they have been a great success. We have enrolled nearly 100,000, the great bulk of them skilled men in the engineering and shipbuilding trades. The difficulty has been that they are not all available for Government work. Nearly all of them are engaged on work of some degree of importance; sometimes indirectly, and without the workman's knowledge, engaged on Government work. For instance, there are men who are engaged in making screws and bolts which are used in shipbuilding. A good many of them have enlisted. Perhaps the firms themselves at the moment were not conscious that they were supplying material for the Government, but, as a matter of fact, we have ascertained that it is all material used in munition and shipbuilding work, and we have had to strike off the men engaged in work of that kind from the list of those available for supplying the armament firms.

Another illustration is that of men who are engaged on work which is not munition work in the ordinary sense of the term, but which is essentially work for the life of the nation. For instance, there are men engaged in making machinery for turning out Army biscuits. We could not possibly take them on, because they are turning out machinery for making biscuits used in the Army.

Therefore, we cannot hope to utilise the services of even a majority of the 100,000. We should do very well if we could use one-fifth of the men who have been enrolled. Any attempt, however, to remove them wholesale would create a dislocation, and perhaps industrial disaster. Sometimes they could not be moved at all from the work on which they were engaged. Sometimes a portion of them could be moved. For instance, you might have 100 men engaged on particular works;

we might be able to take twenty, thirty, or forty away from those works, but to take the whole of them would be to do irreparable harm to the industrial system of the country.

We had, therefore, to divide the munition volunteers into three classes: first of all, those who are engaged indirectly on munition work; secondly, those who are engaged on important work where the whole of them could not be spared, but some portion could be taken away; and, thirdly, those who are engaged directly on Government work, who could not be moved at all. The steps we took to ascertain which of these men were available were these: We communicated first of all with the employers of those volunteers to find out whether they had any objection to these men being taken away, and, if they had, the grounds of their objection. We have received, up to the present, protests from employers in four-fifths of the cases—that is, we have received protests in respect of something like 80,000 volunteers. We have collected a body of business men representing experience in various trades in order to investigate these protests, and we have also set up an extensive system for local investigation of these cases. The adjudicators are now sitting in the Munitions Office engaged in considering the employers' protests. They decide whether the men are available for immediate transfer, whether they should be put in a second line for transfer only in cases of emergency, or whether they are men already engaged in highly important Government work and ought not to be withdrawn. Many of them have already been placed under the conditions of their enlistment. The work will now proceed at an accelerated pace, and we hope in the course of the next few days to place many more at the disposal of the firms who are working on Government contracts. With regard to the rest, and I think the bulk of them, we propose to organise a reserve for another project on a very considerable scale, which we are about to launch, and to which I shall make reference later on in the course of my observations.

*Suspension of Trade Union Regulations.*

I now come to the other branch of our late difficulties, and that is the relaxation of trade union regulations and practices. We arrived at an agreement with the engineering societies of this country that there should be a complete relaxation of trade union rules and practices in respect of the establishments which are controlled. I regret that up to the present I cannot make a very satisfactory report. I should like to appeal to the trade union leaders to bring such pressure as they legitimately can to bear upon the men in their societies to work the arrangement made with the Government in a more liberal and in a more favourable and satisfactory sense. I am told—and I can only take this upon the reports that have come to me—that the men could easily turn out twenty-five per cent. at least more shot and shell and guns and material of war if they could shake themselves during the war from the domination of practices which have controlled their actions in peace times. This is really a very serious matter. It is equivalent to adding not merely scores of thousands, but very nearly hundreds of thousands of men to these yards to get the men to suspend these practices. That is all we ask. I should like to tell my hon. Friends associated with them that they would be rendering a very great service to the State if they were able to persuade the men to suspend these rules and practices during the period of the war, because nothing that can be done by the Government in the way of organising fresh supplies can make any impression for some time. What can make an immediate impression is that the men should fling the whole of their strength and energy, without any regard for these practices, into turning out munitions of war. I cannot, without giving figures which I ought not to give, make my hon. Friends realise how vitally important it is to the interests of this country and to the protection of the men in the trenches—the comrades of the workers, their sons, their relatives—that they should, during the next few months, at any rate, do their very best and give

all that is in them to increase the output in these yards.

The trade union representatives know perfectly well to what I am referring. It is a sort of unwritten rule, a practice whereby production is limited almost by the amount which an average man could produce. No man is to go beyond a certain limit of output, in fact, it is regarded as an act of disloyalty by his comrades to do so. That is a very well-known fact, and no unionist denies it. During a period of peace there are reasons for it as well as against it. It is done to conserve the energies of the men, and undoubtedly the employers have been responsible, because in the past the moment men began to put forth the whole of their strength the employers immediately reduced the piece rates. It takes a long time to get an experience of that kind out of the minds of the men. The fact of their abandoning these practices now will not prevent them from restoring them at the end of the war, but it is vital that they should be abandoned during the war. It is an unpleasant topic to dwell upon, but it is so important that I must really refer to it. I think it is worth repeating that we have given an undertaking that the rate of wages will not be reduced when the output per piece is increased.

There is another practice to which I must call attention. Where there is a shortage of skilled men upon a particular job and there are other men who are quite competent to assist—although we have been given a solemn undertaking that in these cases, where it is absolutely urgent and necessary, the trade unions will allow either unskilled men or skilled men of another kind to come there to assist—they have refused to allow them. I have a case in my possession now where there is a strike at this very moment because plumbers were brought in to assist coppersmiths. There were not enough coppersmiths to go round, and the work could not be done because there were too few. The plumbers could assist. Notice was given to the union that they were to be brought in, and the coppersmiths came out, and up to this moment they are still out. That is deplorable, and I do hope that the

influence of my hon. Friends will be exerted with all the trade union leaders to persuade the men that in these cases it is really quite impossible to stand by the rigid rules of the trade union in a great emergency like this.

*Badges for War Work.*

The only other point as to labour is the question of badges. This is a most troublesome matter, as all those who have had anything to do with it know. The fact of the matter is that badges have been given quite indiscriminately, and there are hundreds of thousands of workmen in this country who are wearing badges who ought never to have had them. The result is that the War Office found that recruiting was unfairly hampered, and I think for the moment they went to the other extreme and gave too few badges. But I think we have been able to establish a basis upon which we can give badges only to those who should have them. We propose that badges should be given only where the Ministry of Munitions are satisfied in the first place that the men are engaged in war work, and in the second place, that the men, through the possession of special skill, are irreplaceable by other labour. The mere fact of a man being engaged on munitions work is not enough to justify his claiming a badge, if it is possible that that man can be replaced by another man not fit for enlistment who can do his work just as well. Therefore, we have to satisfy ourselves as to those two conditions before a badge is given, and we are taking very elaborate measures in order to satisfy ourselves on that ground. The employer has, first of all, to make the application for his men. He has to give the reasons why these men ought to get badges. Those reasons will be very carefully examined, and upon the basis of the reports we get the badges will be given.

*Organising Fresh Sources of Supply.*

I now come to some of the steps we are taking for organising fresh sources of supply. The first step is to extend existing factors. It is rather difficult to give any details as to the steps we are taking in this direction.

A good deal has been said about the shortage of rifles and machine guns, and all I should like to say about that is that I think I can assure the country that the steps we have taken, and are taking, to increase the supply of these essentials will, I believe, when they are known, satisfy every reasonable critic. Unfortunately, any extension of machinery in this direction takes a very long time to fructify, as all those who have been engaged in the turning out of rifles and machine guns know very well. But a beginning has to be made, and, unless I am mistaken in the signs of the times, the action we have taken will ensure results of a character that will impress themselves in the course of the war long before that war is likely to be brought to a satisfactory conclusion. We have also taken steps to increase very considerably bombs and hand-grenades for trench warfare, and I think the enemy know well the progress we have already made in this direction.

*Shells: Co-operative Areas.*

I now approach the all-important question of shells. The steps we have taken are of a threefold character. We have divided the country into great co-operative areas in order to use the whole of the available machinery in those areas for the purpose of turning out munitions of war. We have set up management boards of business men in those areas whose business it is to organise the whole of the available machinery for increasing the output of shells and other material. We place at the disposal of those boards of management skilled engineers to assist them, and in order to enable them to use all the machinery available in the district for the manufacture of shells and the necessary shell components. These areas have by no means been exhausted by the orders we have given. We have reserved a good deal of the available shell power for a special programme we are about to develop, and if hon. Members know in their districts that there is a good deal of lathe and machine tool power which has not been used yet to the fullest extent, if they will only wait for a short time they will

know the reason why we have not utilised those workshops for the moment. It is because we need them for another purpose, which is, in our judgment, for the time being more important. But already by the organisation of these co-operative areas, by the setting up of these boards of management, we have increased enormously the prospect of receiving within the next few weeks complete shells for the supply of the Army.

*National Factories.*

In addition to the arranging of co-operative areas, we have also set up sixteen national factories in different parts of the country. These will be national in their control and national in their management. We are filling these factories with the requisite machinery and we are providing the necessary labour. Some of the machinery is obtained direct by orders from machine-tool manufacturers, and some by requisition from existing firms, and I must say that we find the manufacturers quite ready to help us to the utmost of their power in these cases. The labour is secured in the various ways which I have already indicated. We have set up local boards of management, for you cannot manage a business in a district from a central office in London. When these sixteen national factories are in full working there will be an enormous increase in the output of shells for the supply of our forces.

The advantage which a national shell factory has over mere co-operation between different firms consists in economy in working. We are convinced that we can turn out shells at a much lower price than that at which we are obtaining them. There will be better control, there will be better facilities for inspection, and we think that we shall have less trouble with labour We think that labour perhaps will be readier to dispense with these rather restrictive practices when they are working in a national factory where no one can possibly suggest there is any profit made by anybody except by the nation. But both these systems are absolutely necessary in order to enable us

to get the full benefit of all the resources of the country. We shall have national shell factories working side by side with private firms who are turning out shells, so that we shall have the full advantage of both these schemes of output.

We found that some of the shortage, if not a good deal of it, was due to the fact that although you turned out shell bodies in very considerable numbers, you were short of some particular component which was essential before the shell could be completed. It might be a fuse, it might be a primer, it might be a gauge, it might be the cartridge case. There was always some one thing of which you had a deficiency. We therefore had to set up national factories in order to increase the supply of some of these special components, so that there should be no delay in turning out a complete shell owing to the fact that some one particular element or component was wanted at the right moment.

*Machine Tools.*

The next step we have taken is with regard to machine tools. The organisation of these new sources of supply brought us face to face with the fact that there was an alarming shortage in the machinery available for these purposes. We had a census taken of all the machinery in the Kingdom. We had about 40,000 replies from the engineering firms of the country. It revealed a considerable number of lathes and tools not used now for Government work, but which can be used for the purpose. It also showed us that the number of machine tools available in this country for the work which it is essential for us to undertake was quite inadequate, more especially for the shell of the heavier calibre, which is very important. We have, therefore, taken the step of placing all the great machine tool makers of the country under direct Government control. We summoned them together, and without a protest on their part they all, without exception, undertook practically to become Government factories during the war. There was not a word of protest from a single machine-tool maker who was present at that trade

gathering, although it meant limiting their profits and restricting them in various directions. This will enable them to concentrate their energies during the next few months for the purpose of increasing, and increasing very considerably, the machinery available for the output of war munitions. We have formed a strong committee of machine tool makers, who are directing the operations of the whole of the machine-tool manufacturers of the Kingdom.

The result of all this will be not merely to increase very considerably the output of shells, but it will increase considerably the power at the disposal of the nation at short notice to turn out even more than we have ordered, if the emergency demands. What causes the delay now is the fact that if you have a sudden emergency, and you find that you have to increase, perhaps to double, the output of a particular kind of shell, or of gun—and, after all, these things may change from month to month, for with new experience at the front it is discovered that you have to concentrate now upon some particular nature of shell, now upon some particular gun—you are faced by the fact that you have not the necessary machine tools in this country which you can turn on for the purpose. The first step you have to take is to manufacture those lathes, and there is considerable delay in consequence. Therefore, we propose that we shall have an enormous increase in the machinery available for this purpose.

Another advantage is that when we have this machinery ready we shall not be as dependent as we have hitherto been upon orders from abroad. We can turn out much more of this war material in our own country, and the advantage of that must be obvious to everyone. First of all, when you order a very considerable quantity of war material abroad, there is always a difficulty which arises with regard to the exchanges and the gold supply. There is the difficulty that you have not the same control over the manufacture of materials abroad as you have here. There is the risk of transporting it across the seas, and there is a very considerable difference in the price

you have to pay. It is very much better that we should utilise our own labour and our own machinery at home in order to turn out as much as possible of this war material.

*A Great New Programme.*

I come to another point of considerable importance, and I was rather perplexed to know the extent to which it would be prudent for me to dwell on it, but I have consulted my Right Hon. Friend the Prime Minister, and he is of opinion that it would be well that it should be known what are the preparations we are making. There is a balance of advantage and disadvantage in talking about it in public, but he has come to the conclusion that on the whole the balance is in favour of indicating what we are doing. A few weeks ago I had the privilege of attending an important conference at Boulogne with the French Minister of Munitions. Very distinguished Artillery officers from the French Army and in the British Expeditionary Force attended that conference, and they compared notes as to the lessons of the campaign in the matter of war material. As the result of that and subsequent conferences it has been decided to embark on a new and a great programme which will very considerably tax the engineering resources of this country for some months, and in order to meet this new, this very great, I might say this gigantic demand it will be necessary for us to set up immediately ten large national establishments in addition to the sixteen to which I have already referred. They will be establishments which will belong to the Government, and they will be controlled by the Government. The experience of existing armament firms will be used in order to manage and equip them and to provide them with the necessary staff. For that purpose they will probably be erected somewhere in the neighbourhood of the great existing establishments.

To provide these new establishments with labour the new munition volunteer army will be drawn upon. We shall also have to draw upon the men who have been

brought back from the Army, and we hope to utilise to a much larger extent than has hitherto been the case the assistance of women in these establishments. In this respect we shall follow the example of France and of Germany. There is a limit to the amount of male labour which is available, especially if the war is prolonged, and I am convinced from the experience which some of the armament firms have had in this country that there is a good deal of work, especially work of the finer kind, which can be done just as well, and even better, by women than by men. It will be necessary, therefore, in these new arsenals to draw to a much larger extent upon that reserve than we have hitherto done in the other armament firms. This programme has already been agreed upon, and steps will be immediately taken to put it into practical operation. We have ordered the necessary machinery, we are taking steps to erect the necessary buildings, and I hope the material will be ready in the course of the next few weeks—certainly the next few months—which will enable us to equip our Armies in such a way that even the best Armies in Europe will not be able to claim superiority in the slightest respect as far as war material and equipment are concerned.

*Explosives.*

With regard to explosives, steps have been taken to see that the supply of explosives keeps pace with the enormously increased demands which have been made and which will still be made in the future. I do not think that it would be desirable to enter into details under this head. An increase in shells, and especially an increase in shells of the larger natures, involves an enormous increase in the quantity of high explosives and propellers. I simply want to assure the country that this essential side of our demands has not been overlooked.

*Inventions.*

I should like to say a word also with regard to what we are doing about inventions. It is essential to the successful conduct of the war that the fullest use should

be made of the best brains of inventors and scientific men. Perhaps hitherto there has been a want of co-ordination amongst the various arrangements dealing with the testing of projects of inventors. So far as naval inventions are concerned, the First Lord of the Admiralty has already set up a Naval Inventions Board, under the distinguished presidency of Lord Fisher, to deal with inventions relating to maritime warfare. I have just completed arrangements to constitute an Inventions Branch of the Ministry of Munitions, and I hope it will do for inventions for land warfare what Lord Fisher's Board is doing for naval warfare. The War Office is handing over the whole question of Army inventions to the Minister of Munitions, and careful arrangements have been made to secure that the new branch shall keep in close touch both with Lord Fisher's Board, to avoid overlapping, and also with War Office experts, as the Army authorities must, of course, have an ultimate voice in deciding whether a particular invention is of practical service to the conditions of actual warfare in the present campaign. I have appointed Mr. W. Moir, a distinguished engineer, who has already given valuable assistance to my Department on a voluntary basis, to take charge of the new branch, and he will have not only an expert staff to deal with any project that may reach him, but also a panel of scientific consultants to assist on technical and scientific points.

I think, to save disappointment, I should say that it ought to be clearly understood that only a very small minority of inventions are of practical value, especially under the stringent conditions of modern warfare. A very large number of these projects are, on the face of them, shall I say—a little remote. Many others in which the inventor sincerely believes, as they have emanated from his own brain, have already been under consideration for a long time; all that is good in them has been adopted, and the bad has been finally rejected. Many projects fail from technical defects; many others, although technically perfect, are unsuitable for the practical conditions of war. The new branch will have justified

its existence if one project in a hundred, or even one in a thousand, turns out to be of practical utility in the present emergency. We have a good many which we have already experimented upon, and a good many others we are experimenting upon very hopefully.

*The Liquor Control Board.*

I should like to say one word about the control of drink in the munition and other areas. I believe the new Board is doing excellent work in that respect. They have worked very hard. They have visited all these areas, and they have proceeded on the principle of carrying with them, as far as they can, the consent of all sections of the community. Up to the present they have succeeded, I think completely, in ensuring something like unanimous co-operation in these various areas. Their schemes have not been merely of a restrictive character. They have beyond that taken steps to supply the men in the yards with reasonable refreshment, and I am looking forward to the success of the experiments that they are making. I am perfectly certain it will conduce very largely to increasing the output of these areas. I am also taking steps to organise some form of medical supervision over the men in the yards, so that men who are failing to discharge their duty for physical reasons shall have prompt attention, and so also that advice can be given as to the best method of sustaining the strength of the men in the yards. Up to the present we have not done nearly as much work of that kind as the Germans have done, and as the French. I am sure a good deal can be done in increasing the yield of these yards if a more strenuous and more scientific effort is made to sustain the physical strength of the men, and to see that the conditions which interfere with that strength and which exhaust it are, as far as possible, removed.

*"An Improvement from Week to Week."*

I can only just summarise very briefly what we are doing. It would be very undesirable for me to give details of the steps we are taking—where we are placing our

factories, what orders we are giving, and how the shells are coming in. All I can say is that there is an improvement from week to week in the output, and I feel confident that when we have completed the developments we are now engaged upon we shall in the course of a few weeks be able to supply a quantity of shells which will not merely support our men but enable them to cleave their way through to victory.

All the men who are engaged in this task are working hard. They are working very hard, and I can assure all those whom it may concern that they have neither the time nor the inclination to engage in the sorry and squalid intrigues which seem to fill the minds of evil-disposed persons. They are engaged upon their work, and all we ask is that both plotters and plot-mongers—and I am not sure which is the more mischievous in a time of emergency—shall just keep their hands and their tongues off the Ministry of Munitions. We are only occupied on one task. We have concentrated upon it the whole of our mind and the whole of our strength—yes, and many of us up to the point of breaking down under the strain. I have had to warn several of the staff off the premises because I could see the strain in their faces, and I was convinced, unless I did so, these men would be incapable of returning for weeks and months. I do beg and appeal that we shall be allowed to go on with our work without interference of any kind.

# CHAPTER XVIII

## COAL AND THE WAR[1]

I HAVE seen the miner in many spheres and capacities. I have seen him as a worker, and there is no better. I have seen him as a politician, and there is no sounder. I have heard him as a singer, and there is no sweeter. I have seen him as a footballer, and he is terrible to behold. I have seen him sometimes—you must forgive me for reminding you—as a striker, and he is very difficult. I have seen him as a soldier, and there is no better warrior in Europe. In all capacities he is always in deadly earnest, always courageous, always loyal, a steadfast friend, but a dangerous foe.

### "*Coal is Life for Us.*"

The Government appeal to him to-day as a friend, as their friend, as the country's friend, as the friend of liberty in all lands and in every clime. We are short of coal to run the country in a great crisis. We are suffering from the patriotism of the miner. A quarter of a million of them have gone into the fighting line. The demand for coal is greater than ever. The supply of labour is less than ever. In times of peace coal is the most important element in the industrial life of the country. The blood which courses through the veins of industry in this country is made of distilled coal. In peace and in war King Coal is the paramount Lord of Industry. It enters

[1] Speech delivered at the London Opera House, July 29th, 1915, at a Conference of Representatives of the Miners of Great Britain. [Sir John Simon and Mr. Henderson were also present.]

into every article of consumption and of utility. It is our real international coinage. We buy goods abroad, food and raw material. We pay, not in gold, but in coal. In war it is life for us and death for our foes. It not merely fetches and carries for us; it makes the material and the machinery which it transports. It bends, it moulds, it fills the weapons of war. Steam means coal. Rifles mean coal. Machine-guns mean coal. Cannons mean coal. Shells are made with coal. Shells are filled with coal. The very explosive inside them is coal, and then coal carries them on right into the battlefield to help our men.

*"The Most Potent Friend."*

Coal is everything for us, and we want more of it to win victory. Coal is the most terrible of enemies and it is the most potent of friends. Read that terrible casualty list given out by the Prime Minister the other day. Three hundred and fifty thousand British soldiers! They were casualties inflicted by German coal, by the Westphalian miner, working in co-operation with the Prussian engineer—without stint, without reserve, without regulation, putting their strength at the disposal of their Fatherland. When you see the seas clear and the British flag flying with impunity from realm to realm and from shore to shore—when you find the German flag banished from the face of the seas, who has done it? The British miner, helping the British sailor.

*"The Gravity of the Situation."*

I am not sure that you realise how important you are in this matter. I am told that the workman would work more strenuously in many trades if he fully understood the gravity of the situation and how much depends upon him, and that employers also would do more. I know that you could not expect employers to hand over their workshops to the State, you could not expect them to turn their business upside down, you could not expect them to go out of their way in matters that affect them nearly, you could not expect workmen

to suspend their trade union regulations, to work overtime, and to put forth all their strength, if all were going well, and no further sacrifices were needed, and there were no deficiency or danger in any direction.

*"Pessimists and Optimists."*

It is the fact that the country is in peril that prompts the appeal to all classes to set aside every regulation. Can anyone doubt, reading the news intelligently, that the situation is a serious, if not a perilous, one? I speak with trepidation when I refer to this. Parties have disappeared for the time being; but the party system is so absolutely ingrained in the British mind that, although Liberals and Conservatives and Labour for the moment have obliterated their boundaries and dividing lines, we have formed new parties. Was it the kingdom of Lilliput where the parties were divided between those who broke an egg at the big end and those who broke it at the small end? The whole kingdom was convulsed between the big-enders and the small-enders. We have two new parties now. What are they? Not Liberals or Conservatives or Socialists or Labour people, but the pessimists and the optimists.

*The Blue and Grey Sky Schools.*

There are some people who can see nothing but the black menace in the sky, and they imagine it shows a lack of foresight to look at the wide stretches of blue still smiling in the heavens. There are some, on the other hand, who fix their gaze rigidly on the clear azure above the seas. They deem it disloyal to take any note of the dark thunder-clouds that are rolling up in the East and the grey sky which is hanging so heavily over the plains of Flanders and of France. The new parties are the Blue Sky school and the Grey Sky school.

Let me tell you what I think about the sky. The sky is mottled. Let us look boldly at the firmament, ignoring nothing, being partisans of no fact, taking them all in, preparing for the worst and rejoicing in the best, being ready for the thunder-showers when they come, but

in the full knowledge that the sun is shining behind the darkest storm-clouds and in the full faith that its illuminating rays will soon break through and scatter the gloom which hangs on the horizon of European democracy.

### "*Pay the Price of Victory.*"

But sky-staring is not enough for us. We have to put forth all our strength. The events in the East, whatever they may mean, portend that. They mean that a larger share than ever of the burden of this struggle will be cast upon the shoulders of Britain. Do not shrink from it. We must pay the price of victory if we mean to get it. It is no use, if you want to secure an article, to pay nine-tenths of the price for it. It would be better for you to pay nothing, for if you pay nine-tenths you do not get what you wish, and you forfeit what you have paid. Victory has its price. It is no use calling attention to the cost we have incurred—the hundreds of thousands of casualties, the millions of men gathered together to go into the battlefield, the thousands of millions of expenditure which we are incurring. That is not the question. The one question is whether it is enough. It is no use trying to bridge a twelve-foot stream with an eleven-foot plank. We have but one question to ask ourselves—we of all ranks, of all grades, and all trades. Victory means life for our country. Are we doing enough to secure it? It means the fate of freedom for ages to come. There is no price that is within our power which is too great for us to pay.

### "*The Right to Shirk.*"

There is too much disposition to cling to the amenities of peace. Business as usual, enjoyment as usual, fashions, lock-outs, strikes, ca' canny, sprees—all as usual. Wages must go up, profits must also improve; but prices must at all costs be kept down. No man must be called upon to serve the State unless he wants to; even then he has only to be called upon to do exactly what he would like to do—not what he is fit for, not what he is chosen for, but what he himself would like to do. A man who could

render more service by turning out munitions must be allowed to go to the front if he prefers to, and the man who would be better at the front must be allowed to stay at home if he feels more comfortable there. Freedom implies the right to shirk. Freedom implies the right for you to enjoy and for others to defend. Is that freedom ?

*The Fever of War.*

War is like a fever, a deadly fever in your veins. The rules which are applicable in health are utterly unsuited to a fever. Restraints which would be irksome, stupid, and unnecessary when a man is healthy are essential to save his life in a fever. What is the use of the patient saying :—" I must have meat as usual, drink as usual, in fact more than usual, because I am thirstier than usual. I have a high temperature, so I am more parched than usual ; there is a greater strain on my strength, so I really ought to have more than usual. If I want to go out, why should I be confined to that bed ? Freedom above all ! " " But you will die ! " " Ah ! " he says, " it is more glorious to die a free man than to live in bondage." Let Britain be beaten and discredited and dishonoured, but let no man say that any Briton during the war was ever forced to do anything for his country except that which was pleasing in his own sight.

Ah ! victory is not on that road. The trenches are not all in Flanders. Every pit is a trench in this war, a labyrinth of trenches ; every workshop is a rampart, every yard which can turn out the munitions of war is a fortress ; picks, shovels, lathes, hammers, they are as much the weapons of this great war of European liberty as the bayonet, the rifle, and the machine-gun. The man who does not handle them with all his strength is failing as much in his duty as the soldier who runs away from the battle at the front.

*" The Right Spirit."*

Listen to the story of the Australian and New Zealand battalions. They were expecting a Turkish attack.

What was the effect upon them? No man would go on the sick list. Not all the doctors of the regiment could persuade them. There was no pulse-feeling; there was no shirking. They said, "Not until the attack is over and we have finished the Turks! Then we will go into the hospital." That is the spirit which alone will enable us to win through. Nothing short of it will achieve victory.

"*The Time has Come.*"

The peril is a great one, the peril is an immediate one, but if the democracy of Britain rises to the occasion they will once more triumph over all the forces of despotism in Europe. Nothing I can possibly say will do more to convince the people of this country of the danger than the facts that appear from day to day in the papers—not the headlines; please pass those over. Read the news. The men who after doing that do not understand the peril of their country, would not believe it though one rose from the dead to tell them. And there are hundreds and thousands of them lying in the East and the West who could tell the peril if they could speak. The time has come for every man, yes, and every woman who can, to help their country. There are scores of thousands of brave men, 250,000 miners among them, in the trenches, facing the death fury at this hour, waiting anxiously to hear the rattle of the loaded caissons coming from England to aid them. The wagons are waiting outside the yard gates to be filled. Let us fill them; let us send them along. Then, when that is done, there will be written in letters of flame the greatest chapter in the history of these islands, in which it will be told how, when the flag of freedom drooped for a moment under the onslaughts of a ruthless foe, the men and the women of Britain came to the rescue and planted it firmly on high whence no tyranny can pluck it down.

## CHAPTER XIX

### "FIGHT ON!" [1]

No Eisteddfod was ever before held under such a cloud. It is indeed a terrible time. I am frankly glad that you are holding the Eisteddfod this year. I did not relish the idea of the Welsh Muse being placed in an internment camp with barbed wire to keep her from getting out till the end of the war. She is not an alien enemy, but a native of the hills. She is not a German spy, but a bonny lass from the Welsh glens, and I am delighted that you have set her free once more. I have come here from the work of war in order to hear the harp of the bards above the shriek of shells.

### *"Is it Peace?"*

I observe that you have omitted to ask the old-established question, "Is it peace?" Everywhere sounds of war trumpets rend the air. From sea to sea the land of Britain trembles with the myriads preparing for war. East and West and North and South, you hear the ring of the hammers and the whistle of the steel lathes fashioning weapons of war. On quiet nights from my cottage in Surrey I can hear the sound of the cannon fired in anger on the ruddied fields of death in France. I know with horror the work that is going on, and as I hear the old prayer of the Gorsedd comes to my lips, "O Iesu, nad ganwith"—"O Jesu, prevent wrong!"

"Is it peace?" No! Why not? Because an un-

[1] Speech delivered at Bangor, at the meeting of the Royal National Eisteddfod, August 5th, 1915. The speech was delivered in Welsh.

clean spirit has possessed the rulers of a great nation. Now and again in the history of the world its peoples have had to fight in order to win—sometimes in order to retain those elementary rights which lift men above beasts of the field—Justice, Liberty, Righteousness. If Right is worsted in this conflict, civilisation will be put back for generations. If Right triumphs, mankind takes a long leap onward on the road to progress. This is one of those periods.

*"When Justice is Menaced."*

I am proud to know Wales has flung its whole strength into the struggle for humanity. We have a great Army already in the battlefield. We have a still greater Army ready and eager to support their comrades in the field. There was a time when it seemed as if the military spirit of Wales had vanished into the mists of the past. Some of us thought that the religious revivals of the eighteenth and nineteenth centuries had broken the fighting spirit of our race. No real religion has ever yet broken a nation's spirit. It disciplines its strength, it elevates its purpose. Such a nation does not dissipate its power in envious anger and rage against its neighbours, but when justice is menaced that nation becomes more formidable than ever.

*"Welsh Martial Spirit not Dead."*

There was a time in the last 200 years when we could hardly summon the material for three regiments to the flag. To-day you have 100,000 men who have rallied to the flag from the hills and valleys of their native land. We have a greater Army from Wales alone than Wellington commanded at Waterloo, and they are just as good men every one of them. And they have not ceased coming yet. More and more men are still gathering in the camping ground. As they learn in the remotest hovels that liberty is in danger, they come along to defend her against the violence of the oppressor. Our Welsh martial spirit was not dead—it was not even slumbering—

it was simply hiding in its caves among the hills until the call came from above. War after war swept past it without rousing its old energies. At last it has come forth fully armed for battle and mightier than ever.

*Wales and a New Charter of Liberty.*

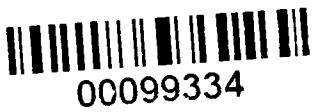
Welsh courage has manifested itself in this war as never before in the history of Wales. When Magna Charta was wrested from a tyrannical king, there was a Welsh contingent among the forces that achieved that victory for English freedom, and there are Welsh names among the signatories of the potent document. When the charter of European liberty is drawn up after this war—the charter that will settle the fate of mankind on many continents for ages to come—it will be a source of pride to us that our little country contributed such a large and efficient contingent to the Army that established a new charter for human liberty.

*The Unshackling of Russia.*

I have no doubt that, however long victory may tarry, it will ultimately come. We may have to wait for the dawn. The eastern sky is dark and lowering; the stars have been clouded over. I regard that stormy horizon with anxiety, but with no dread. To-day I can see the colour of a new hope beginning to empurple the sky. The Germany in their victorious march know not what they are doing. Let them beware, for they are unshackling Russia. With their monster artillery they are shattering the rusty bars that fettered the strength of the people of Russia. You can see them shaking their powerful limbs free from the stifling *débris*, and preparing for the conflict with a new spirit. I repeat, the enemy know not what they are achieving for their apparent victim. Austria and Prussia are doing for Russia to-day what their military ancestors effected just as unwittingly for France. They are hammering a sword that will destroy them, and are freeing a great nation to wield it with a more potent stroke and a mightier sweep than it ever yet commanded.

*" Fight On ! "*

For us, we must fight on or for ever sink as a people into impotent obscurity. Britain has another task. It is becoming clearer and our own share of it is becoming greater as the months roll past. It is to see that the suffering and the loss shall not be in vain. The fields of Europe are being rent by the ploughshares of war. The verdure of the old civilisation is vanishing in the desolating upheaval of the conflict. Let us see to it that wheat and not tares are sown in the bleeding soil, and " in due season we shall reap if we faint not."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